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multifarious duties the effective control of 19 Municipalities.

(b) One of the main sources of income in Municipalities of both classes appears to be octroi. This particular form of taxation has been frequently subjected to severe and damaging criticism, and the Darbar are probably aware that the Government of the United Provinces, at the instigation of Sir John Hewett, is making strong efforts to abolish octroi entirely. The levy of octroi requires the maintenance of a large establishment and opens the door to every form of petty peculation. Apart from these necessary evils, we are faced with the fact that trade in Mysore must suffer considerably from the levy of octroi in so many places and from the delays and inconveniences which this must cause to goods in transit.

(c) The legality of taxation in the non-regulation Municipalities seems to be open to question. I shall refer again to this point when examining the action already taken by the Darbar in the last few years to regularise this branch of their administration.

(d) It appears to be evident that grave difficulty is found in collecting the various taxes. The reports each year tell the same tale and I need only invite attention to para 1) of the Minor on the Report for 1910-11, which shows that the arrears are very heavy in a large number of the Municipalities.

(e) The income of many of the Municipalities is so small that it is quite impossible for them to carry out any effective improvements without assistance from State revenues. I attach a statement, taken from the Report for 1910-11, from which it will be seen that 63 out of the 88 Municipalities enjoyed incomes, exclusive of Public Debt, of not more than Rs.5,000, and only 5 had incomes of more than Rs.20,000. It seems to be clear that the large majority of the Municipalities can never

attain real financial independence and that, if they are to keep out of debt, they must depend on the Darbar for a generous measure of assistance or must eke out their existence in a condition of approximate stagnation.

The Darbar have evidently recognised the drawbacks attending undue extension of the municipal system, for, in 1902, the passed the Local Boards Regulation consituting panchayat and taluk boards on much the same lines as those adopted in the Madras Residency, where there are some 380 "Village unions". These unions are managed by panchayats under the taluk boards and the funds at the disposal of the panch are raised by a house-tax and by fees for certain temporary licenses. The duties of the panchayats are primarily to look after the cleanliness of the villages and in certain major unions, they are also responsible for the drains and roads. In the Darbar's Notification No.30-Legislative 4-03, dated the 9th September 1903, a number of non-regulation municipalities in Mysore were abolished and constituted as unions.

In 1904, the Darbar examined the Municipal Law of 1871 which only applied to the towns of Mysore and Bangalore, and letter No.296, dated the 1st October 1904, was received in the Residency office. The Darbar explained that the minor municipalities had been formed from time to time by executive order, and that there was no legal authority for enforcing obedience to most necessary rules of sanitation, etc. They accordingly forwarded a revised Regulation. This Regulation came into force in 1906 and in their Proceedings for December 1906 (page ox), the Darbar ordered Deputy Commissioners to submit a list of towns to be brought under the Regulation and intimated that all District Head-quarter towns and such Mofussil towns, with a population of or over 6,000 persons, as the Deputy Commissioners thought suitable, should be made regulation Municipalities.

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It was added that all other non-regulation Municipalities would continue to be administered as such until it was finally decided whether they should be converted into Unions or Municipalities or discestablished.

The Darbar thus clearly recognised the inconvenience of having all these petty Municipalities, which possess no legal status and it is interesting to note the progress that has been made since the promulgation of the Regulation of 1906.

An examination of the Municipal Reports indicates the following results.-

In 1907-08, there were 88 Municipalities, of which 86 were non-regulation. During the year action was taken to bring 15 of these under the Regulation.

In 1908-09, there were 88 Municipalities. Twenty local areas were notified as Regulation Municipalities and preliminary action was taken in 5 other cases.

In 1909-10, there were 88 Municipalities, 23 of which were Regulation, and preliminary action was taken in the cases of 5 more.

In 1910-11, there were 89 Municipalities, of which 27 are said to be regulation. Appendix I to the Report indicates, however, that there are now, or shortly will be, 36 regulation Municipalities.

It will appear therefore that the only action taken on the Darbar's orders of 1906 is that 36 Municipalities, governed by the elaborate regulations of 1906, have been brought into being, while no attempt seems to have been made during the five years under review to abolish the smaller non-regulation Municipalities or to reduce them to Unions. The immediate result would seem to be that the work of Municipal administration has

increased considerably since the new regulation became law, and that no corresponding reduction has been made by the elimination of units which, prima facie, are never likely to rise to the dignity of a Municipality.

I have no final remedies to propose and I merely venture certain tentative suggestions indicating the lines on which, it seems to me, preliminary action might perhaps be taken.

(i) The attention of District Officers might, I think, be called to the consideration of these non-regulation Municipali--ties which might at once be reduced to the status of village unions, rather than of those to which the regulation might be applied. An immediate decision could probably be formed in the cases of a large number of the smaller units. Incidentally, the abolition of octroi in these areas should prove beneficial to trade, as indicated in the second of the above objections to to the undue extension of the Municipal system.

(ii) It appears to me to be worth considering whether the criterion adopted by the Darbar for adjudging a town worthy of full municipal honours is altogether satisfactory. I am inclined to think that, by admitting towns with populations of 5,000 persons, the number of Municipalities in each district is likely to swell out of all proportion to the area. As already pointed out, the Mysore District now contains 10 regulation Municipalities and it is possible that others out of the 9 non-regulation Municipalities may rise to the same status. I think there can be little doubt that this number is excessive, when the size of the district is taken into account. I would suggest, for the consideration of the Durbar, the advisability of fixing a limit based on annual income, rather than on population. Even if this limit were fixed at Rs.5,000 (exclusive of loans, etc.) which is certainly a low and modest limit

it would result in a reduction of the number of Municipalities to approximately 25 or 30. For 8 districts such a number would appear to be reasonable, having regard both to the duties of the officials on whom the main work of municipal administration devolves, and to the check on trade caused by the levy of octroi within municipal areas.

Whatever action the Darbar eventually decide to adopt, it seems to me to be advisable that very early steps should be taken to regularise the status of the non-regulation municipalities. The legal machinery has now been in existence for six years; but, as far as can be ascertained from the Municipal Reports which have been received up-to-date, no attempt has been made to reduce the number of Municipalities.

Camp, Mareara, (Signed) E. Daly.
9th November 1912.

- - - - - - -

Statement for the year 1910-11, showing the numbers of Municipalities, with their incomes (excluding public debt).

strict.	Under Rs.1000	Rs.1000 to 1500	Rs.1500 to 2000	Rs.2000 to 3000	Rs.3000 to 4000	Rs.4000 to 5000	Rs.5000 to 10000	Rs.10000 to 15000	Rs.15000 to 20000	Over Rs.20,000	Total.
galore	-	1	1	5	3	-	2	-	-	1	13
,ar	1	1	3	-	1	-	3	2	-	-	11
kur	-	2	1	1	1	3	-	1	1	-	10
ore	2	3	4	3	2	-	3	1	-	1	19
scm	-	-	1	1	4	1	-	1	-	-	8
lmoga	2	1	-	3	-	2	1	-	-	1	10
lur	-	1	2	-	1	-	1	1	-	1	7
ttaldroog	-	-	4	1	1	-	2	1	-	1	10
Totals...	5	9	16	14	13	6	12	7	1	5	88

Note.-- An additional Municipality was constituted during 1910-11 at Maddur in the Mysore District, but no figures for this have been given in the Report. Including Maddur, the grand total of Municipalities is 89.

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(1)

9 The Local Finance Committee

A special Committee on Local Finance was appointed in 1914 to report on certain questions referred to them, viz., Financial organization of Municipal funds, revision of Mohatarfa taxes or abolition thereof and other allied questions The Committee considered the abolition of all municipalities ~~with a population less than 2,500, - recommended by the Local Self-Government Committee - as a retrograde step.~~ In their opinion, rules should be laid down regarding the sources of income and ~~xxxxxx~~ sphere of activities for ~~all~~ small municipalities and all non-regulation Municipalities should be brought - under the Regulation. They touched a vital point when they said that the income of such municipalities should be derived from a few direct sources which can be easily and economically collected and accounted for and that their expenditure should be limited to those services which secure the greatest benefit without a disproportionate outlay on general or supervising establishments

As regards octroi, their opinion was that it should be replaced by some other tax without affecting the income of municipalities The alternatives proposed were four - (1) Raising House-tax, (2) levying profession tax, (3) Levy of terminal tax on goods coming in by railway, and (4) levy of tolls. In the end, they recommend the Terminal tax to replace Octroi They point out the serious - anomaly of levying taxes under executive orders and not under the Municipal Regulation. Of the four - classes of taxes under the mohatarfa rules, they -

Main sheet

would abolish Oil-mill tax and re-place Shop-tax by Profession tax. They recommend also that the Madras Presidency Schedule under Profession tax should be adopted, that Municipalities should be empowered to raise loans from the public on Government guarantees; and definite policy should be laid down providing for giving grants-in-aid to municipalities for necessary useful works. They recommend 50 per cent of the total outlay as the maximum limit of the grant. They also recommend that municipalities should be given larger financial powers and that the Presidents and Vice-Presidents should be persons who are ordinarily residents within the jurisdiction of the municipalities

In one of the minutes among the papers relating to Local Self-Government, I find that there is a distinct suggestion that the City Municipal Regulation should be independent of the Moffussil Municipal Regulation, and that larger powers should be conceded to the Municipalities restricting the interference by Government to only a few important matters.

From the above summary of discussions as well as from the points that have been prominently brought forward in the Reviews of Administration Reports of the Municipalities in the State during the last 10 years or so, certain conclusions could be safely drawn and they are summarized below -

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1. Non-Regulation Municipalities can never be successful inasmuch as any form of local self-Government, whether simple or complex, must have a statutory basis.

2. The Municipal Regulation of 1906 was too ambitious in that it embodied all kinds of complex provisions relating to Municipal Government totally unsuited to the earlier stages in the development of municipal institutions, with the result that many of its provisions remained a dead letter even to this day.

3. Moffussal Municipalities have been more or less under the leading strings of the officials, officials who have little or no time to devote to municipal work with any earnestness or precision with the result that municipalities have been neglected, municipal revenues have been administered not with any definite policy towards the improvement of the tax-payers, the finances have been allowed to get into confusion, and annual recurring charges have been allowed to grow beyond the limits of annual resources. Collection work has been totally neglected. Owing to want of adequate supervision, defalcations have taken place The state of accounts in the majority of instances has not at all been satisfactory.

4. A general apathy on the part of the non-official element in the constitution of municipalities

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5. Indifference as regards the exercise of the privilege of election.

adequate supervision even on the of Government which exercised interference in matters of detail thereby giving a free play to malpractices and oppression on the part of the low paid municipal subordinates.

The remedies I would propose, are summarized - below -

(i) Enactment of a separate Regulation for City municipalities and amendment of the Municipal Regulation of 1906 so as to confine it only to District Municipalities.

(ii) Abolition of all non-Regulation municipalities and notifying such of them under the new District Municipal Regulation as are likely to be re-constituted and administered on a satisfactory basis The Dy Commissioners - should be consulted in each case before a notification is issued.

(iii) Modification in the constitution of both City and District Municipalities somewhat on the following lines -

(a) All City Municipalities shall have a paid President to be appointed by Government

(b) All District municipalities shall have either a nominated or elected President as well as a Vice-President according to the discretion

discretion of Government, the right of election being given in the case of more advanced municipalities.

(c) The jurisdiction of revenue officers over municipal institutions should be defined and in places where there is sufficient public interest and development of municipal activity, local revenue officers ~~will~~ need not form part of the constitution in any way,

(d) There should be no other executive officer such as the Secretary in the District Municipalities, the point being that any municipality which grows to sufficient importance or has a revenue of say one lakh of rupees must automatically be governed by the other Regulation, viz., the City Municipality under which it must have a paid President

(e) The proportion of nominated and elected members of both classes of municipalities - should be revised In City municipalities, two-thirds may be elected and one-third nominated, and in District municipalities the division may be half and half provided that the Government may have the discretion to increase the number of elective seats by notification in special cases

(f) The municipal fund should be re-constituted so far as district municipalities are concerned more or less on the lines of that excellent

excellent recommendation of the Special Committee on Local Finance to the effect that a few direct sources should be found and their expenditure should be limited to services which secure he greatest benefit without a disproportionate outlay on general or supervising ests.

(iv) In municipal areas the oil mill tax may be a olished and shop tax replaced by profession tax, and in accordance with the G O.dated the 26th March 1912 octroi should be abolished in all district municipalities. House-tax should be placed on a satisfactory footing on the annual rental value subject to a minimum of at least 5 per cent and a maximum of 7½ per cent A profession tax schedule should be drawn up on the principle of the Madras Act subject to the modification which is now before the Government of Madras, viz., that in richer municipalities that is to say, where the City Regulation is to be in force, the graduated scale should be higher at the top The Madras schedule may be adopted for all District Municipalities to start with

(v) A terminal railway tax should be provided in respect of all municipalities on railway lines at say three pies on every passenger arriving in or leaving the municipal railway station, the tax being collected by adding to the price of tickets issued by the railway. There must be an automatic mode of the collection of such terminal tax and the proposal to levy it on goods coming and going

Serial No

very difficult to work in practice.

(vi) Tax on vehicles and animals should be compulsory in all municipalities.

(vii) A graduated scale of license fees (more or less uniform for all municipalities) for dangerous trades, obstructions, pendals and other cases where permission is sought for under the different provisions of the Municipal Regulation, should be prescribed and appended to the Regulation for general adoption.

(viii) A certain percentage of the rental of shops in municipal areas should be credited to municipal funds.

(ix) Tolls should be established in all municipalities.

(x) Municipal establishments should not exceed a a certain percentage of their total revenue without Government sanction; and within certain limits the municipalities should have enlarged powers regarding their establishments

(xi) All municipal accounts should be subject to a half-yearly audit by the Government Audit Department and for this purpose a certain percentage of establishment charges should be debited to municipal revenues.

(xii) Under general control, the Deputy Commissioners should be authorized to review Administration Reports and pass municipal budgets in the case of

G.R.S.—Contd. sh.

Serial No

all District Municipalities, but the City Municipal budgets should require the sanction of Government. Sections 18, 22, and 27 should be amended.

Separate budget rules should be framed and codified in the Municipal Manual.

(xiii) A provision may be made in the amended Regulation for the transfer of control of elementary education, Medical and Muzrai institutions, to the Municipal Councils at the discretion of Government subject to such rules as may be framed for the purpose.

(xiv) No legislation is required to supplement the resources of municipalities by a Government grant It is undesirable to commit Government for all time to any definite principle regarding the allotment every year. This will depend on the financial condition of the municipalities concerned as well as the general financial condition of the State It may, however, be accepted as a general principle that Government would contribute a portion of the capital cost for water-supply, drainage and other large sanitary schemes which are beyond the resources of the municipalities concerned. I would not fix the limit of the grant to 50 per cent as this would cause serious embarrassment to the finances of the State and further would be difficult to follow in practice with the result that many important schemes will have to lie over.

(xv) Municipalities should be empowered to borrow

(Contd on p 9)

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G R S 12]

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in open market subject to a Government guarantee.

(xv) Section 27 of the present Regulation should be amended to provide for the administration of municipal areas under the Ward system.

(xvi) Elections in the municipal areas should be by Wards confined exclusively to the residents of these Wards.

(xvii) Government should have power under the Regulation to suspend a Municipality

(xviii) A special provision should be made for the collection of municipal revenues. Coercive measures should be provided for in the Regulation in a general way and the details may be framed under the rules. All moneys other than fines and penalties recoverable may be treated as arrears of public revenue within the meaning of the rules under the Land Revenue Code.

(xix). Appeals to Magistrates now provided for in the Act should be done away with.

(xx) Vaccination should be provided for in the Regulation and made compulsory in all municipal areas

(xxi) Town Planning provisions should be embodied in the City Municipal Regulation.

The above proposals may form the basis of discussion in Council after which a draft Government order may be prepared.

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Scheme for the reform of Local Self-Government.

G R S 12]

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Serial No

The First Member's Note is herewith submitted before circulation to Council

Dewan
25/5

As personally required by the First Member the file is withdrawn from the D.O. but herewith

First Member
5/6

6 3 6
25-5-16

I am in not sending another note on Local Bodies. Both may be discussed. I have also left the Lok Mandal note.

Hyderabad 9/6

The Hyderabad Report is here for ref. with this file

9/6

After their formal Dewan, the Note of the First Member can be circulated

Dewan
9/6

Note the Council
13/6/16

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NOTE—Contn sheet

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G R.S 18]

Routine Notes.

[To be used only for notes, requisitions etc, not intended for permanent record.]

Submitted.

I am awaiting the receipt of the file re Local Self Govt. Scheme, for sending copies of the draft over to the Finance Members' suggestions to the Members of Council today

This is an answer to the Dewan's demi-official enquiry

Dewan

Dewan
14/8

Vide Dewan's note of date submitted herewith —

MR
14 8 16

N.B —Should routine notes be written on small slips the notes must be copied or slips pasted on this form

GPB—50 400—5-8-15

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REPLY

(To be written on this margin)

Office of the Dewan of Mysore.

NOTE

Dated 14th August *1916*

The Secretary will be good enough to circulate copies of the more essential papers connected with the Local Self-Government Scheme to the Members of Council. If the Members have no objection, it is proposed to give half an hour at the next meeting of the Council for the consideration of this subject.

Probably at that meeting an understanding may be arrived at, to meet two or three days in succession to come to a speedy decision on the proposals.

After the principal features are laid down, a detailed revised order may be drawn up under each of the three or four main heads and approved separately. The Secretary, Revenue Department, should also be requested to study the details thoroughly.

If the lines of work are settled at the next meeting, the responsibility for the further development of the case may, if he has no objection, be transferred to the First Member The opinion of the Council may be obtained point by point and while the discussions are going on, the other officers and non-official gentlemen may also be usefully consulted

Copy to each Member with copy of letter 8 of 1916

14 8.16

The Secretary, General Dept.
The Secretary Revenue Dept

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	Serial No		
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Rev Secy on 16 8 16.			

NOTE—Contn sheet

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General and Revenue Secretariat | File No. | of 191

Serial No

Final note

The draft has revised in accordance with the discussions in Council on the 2nd inst. The proposals for which are in the nature of an enabling act.

2 The govt may declare their willingness to bind itself under Imperial Executive & financial - and commercial staff - in addition to the existing cadre is contemplated

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Dawson)

Dawson
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Note—Contn. sheet.

GPB -25 000—2 11 4

Urgent

My dear Mr. Kantaraj Urs
Mr. Banerji

I send herewith a copy of the order on the Local Self Government Scheme as revised up to last evening I propose to submit it to His Highness by 2 p m to-day unless you have any corrections to suggest A few verbal changes may still be necessary but they may be carried out even after approval by His Highness The draft is substantially the same as was agreed to in Council

Yours sincerely,

11/11/4 Dewan

SPL

[illegible] questions requiring continuous attention.

12 hour

LANGFORD HOUSE,
RICHMOND ROAD,
BANGALORE
11th Nov. 1916.

My dear Sir M Visvesvaraya.

I have gone through the draft order on Local Self-Government Scheme carefully and I herewith return it with one or two suggestions They appear on pages 5 and 7 The corrections on page 7 will read as follow -

"Under present conditions it will not be possible to have elected Presidents in the case of the majority of the Boards, but in all such cases, the Vice-Presidents may, as far as possible, be elected. A carriage allowance may be granted to them if necessary"

I do not think that a local allowance should be promised as it will practically mean that they will be semi-paid Government servants.

Yours sincerely,

11 11 16

Sir M Visvesvaraya, K C I E,
Dewan of Mysore

MORE IMPORTANT FEATURES NOTICED IN THE REPORTS AND ACCOUNTS RELATING TO THE ADMINISTRATION OF THE DISTRICT FUNDS.

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1905-6

1. Vacancies among the Taluk representatives on the District Boards were not filled up by election in certain districts.

2. There were 77 Taluk Boards

3. 6 new Unions were formed, bringing the total number to 48.

1906-7.

1. Members of the Finance committees are reported not to attend the meetings and the ~~[illegible]~~ Chitaldrug Distt: Board suggest the framing of rules for compellin them to attend.

2. One of the Unions being constituted into a non-Regulation Municipality, there were only 47 Unions instead of 48 as in the previous year.

1907-8.

1. Of the 201 members on the District Boards, 101 were non-officials nominated by Govt., 58 ex officio, and 42 elected by Taluk Boards.

2. Under C.O.7791-809 dated 6.3.1907, Amildars although not members of District Boards were required to attend the Boards meetings without the power of voting, to give them useful information on matters relating to the Taluk Boards. This syten is reported to work well.

3. No change in the number of Taluk Boards.

4. Villages containing 300 houses or 1,000 inhabitants having been authorised to be constituted into Unions, the formation of 247 fresh Unions in addition to the existing 47 was sanctioned. Of these, only 89 were actually formed. The Mysore Dy.Commr: reported that there were inconveniences and difficulties in having so many villages as Unions and hence no fresh Union was formed out of the 130 sanctioned in the Distt.

5. The total Unions were 135, one in the Chitaldrug Distt: being abolished as the people said they were too poor to pay house tax.

6. The principal source of income was the contribution of 76 p.c. of the local cess of one anna per rupee of land revenue.

1909-10.

1. The number of Taluk Bds remained the same.

2. The number of Unions increased to 164.

3. In 8 Unions no meetings were held at all, and in 27 Unions, all non-officials attended all the meetings.

1912-13.

1. No change in the number of District and Taluk Boards.

2. In many taluk boards, the attendance of official members was very poor.

3. Out of the 11 taluk boards which had the privilege of electing their Vice-Presidents, only 4 had non-official members as Vice-Presidents.

4. There were 242 Union Panchayets.
No meetings were held in 37 Unions, 28 of which were in the Mysore District. The Mysore Dy.Commr says that this is partly due to the Amildars, who are the Chairmen of the Unions, having too many unions to attend to.
It was observed that this could be remedied by having non-official chairmen for the Panchayets in places where suitable men are forthcoming.

5. Report called for the enlargement of the powers of the Taluk Boards and Unions.

1913-14.

1. 3 Taluk Bds and 146 Unions did not hold prescribed number of meetings and 14 punchayets did not meet at all.
The inactivity shown by them is partly due to their not having much scope for initiation of measures independently of the district boards and not being allowed to administer funds.

2. Union collections should as far as possible be spent in the Union itself and Presidents of District Boards should see that a suitable programme of works is kept ready for each Union.

3. The arrears under house tax in Unions form 41 per cent of the total demand. They are heavy in Bangalore, Mysore and Shimoga.

4. Amildars in the Mysore District did not pay sufficient attention to the execution of public works. Lapses exeed 50 p.c. of the provision in 3 districts and do not fall below 30 p.c. in any district. This is not creditable to District Boards.

FIRST MEMBER'S NOTE ON THE LOCAL SELF GOVERNMENT SCHEME SO FAR AS LOCAL BOARDS ARE CONCERNED.

The recommendations of the Decentralization Commission on the subject have been summarized for facility of reference and appended to this Memorandum. There can be no doubt that those recommendations are sufficiently comprehensive and are based on a detailed study of Indian conditions generally and as such are entitled to the highest respect.

Before dealing with the main proposals made by the Two Committees, it is necessary to examine the present condition of local administration in the Districts through the existing organization. I have appended to this memorandum a note embodying the more important features that have been noticed in the Administration Reports since 1905-6 up to date, of the Local Boards concerned. I would, nevertheless summarise the salient points that stand out prominently in those reports, viz., - as follows.

(i) Official interest in the administration of these Local Boards instead of increasing has declined. Lack of such interest is considerably responsible for the failure of Local Boards Administration in Mysore.

(ii) The constitution of the Boards under which, the Revenue officials are invariably Presidents in the different grades from the Dy.Commissioner downwards of institutions under the Local Boards Regulation from the District Board down to the Panchayet is also responsible for the general apathy in the administration and inefficiency in the work turned out. The Amildar happens to be the President of more than one union in his taluk. He as well as the Assistant Commissioner with their multifarious duties generally

find no time to attend to local boards work.

The poor official attendance at meetings has been the subject of frequent comment in the Administration Report Reviews.

(iii) The number of unions has increased from 48 in 1905-6 to 246 in 1911-12. This abnormal increase is due to a policy of artificial expansion; for, in 1907-8 villages containing 300 houses or 1,000 inhabitants have been authorized without any distinction to be constituted into Unions. In that year 247 new unions were sanctioned. But the reports show that the actual number did not go beyond 246 in any one year. The number varies as some unions were abolished in certain years and fresh unions were sanctioned. The grounds for a general unpopularity of union administration appear to be -

1) poverty in villages and a general disinclination to pay house-tax;
2) absence of definite and independent powers which render the meetings of union panchayets a mere formality;
3) expenditure of the funds of one union for works in other unions resulting therefrom at least in one place a total defiance of authority so far as the payment of taxes was concerned; and
4) the entire subordination of Unions to the District Board.

There has been considerable discussion and a good deal of literature as regards the main principles which should determine the policy of Government for the further development of Local Boards administration in the Districts. The Committee, for instance, has recorded the opinion that the more the Local Boards Regulation is illiberal in the conferring of powers on Local Boards,

The

the Taluk Boards of Mysore have been wholly inactive; the personnel of the Taluk Boards has been unsatisfactory; the funds at the disposal of Local Boards are inadequate; and in fact, the system sups the very spirit of local self-government and that it should be abolished wholesale. It is complained that a large portion of District funds is now spent through the Public Works Department and heavy charges as contribution are paid on that account; and also that the Local Boards are now fettered by so many restrictions by Government and that there is undue centralization. A very large number of recommendations have been made by the Committee for the re-adjustment of local boards. It is unnecessary to deal with them in detail in this Memorandum. The main lines on which, I consider, all reforms should proceed will be indicated below and reference will be made in appropriate places to these recommendations wherever necessary.

It is admitted that the Taluk Boards and Unions have hitherto served no useful purpose. There is a general tendency in the recommendations to adopt the Madras system, on the ground that the conditions of Mysore appear to favour the introduction of that system. The defects of the Madras system, however, have not been carefully taken into account. I have sufficient experience of the working of that system and I therefore, feel competent to warn the advocates thereof of the danger involved in adopting it wholesale without any modification.

In a recent order of the Government of Madras it has been practically admitted that the Union administration during the past 30 years has been a failure. Unions have been established recklessly in many districts irrespective of considerations of homogeneity in village life and such administration has been thrust on the village people without any compensating advantages with the re-

result that the Unions are now notoriously unpopular. By changing the Mysore system into the Madras system on the lines indicated, I am afraid we shall not improve matters materially.

The main difficulty in regard to local administration lies in providing the requisite financial stability. It will be seen on a careful study of the ~~Indian~~ Union finance in most districts of Madras, that the Union Panchayets are barely self-supporting, that they devote a major portion of their receipts to establishments, that they are constituted by grouping together villages lying far distant from one another, that they depend on the support of the Taluk Boards so far as the wiping out their deficit balances are concerned, that they are a good deal under the leading strings of the revenue officials of the District and lastly that the villagers receive very little advantage or benefit from the establishment of these institutions except in a very general way. Proposals are now under consideration to reform the administration of local boards in rural areas in view of the above defects. Before introducing any changes in Mysore, therefore, it is very necessary to guard against these defects.

<u>UNIONS.</u> - Here, we have to face a very strange situation, viz., the non-Regulation Municipalities, which in accordance with my recommendation in the memorandum on municipal reform, must go. Such of them as are fit to be constituted as district municipalities will come under the amended ~~Legislative~~ Municipal Regulation; others must be abolished. The population in non-regulation municipalities varies from 988 in one case to 5,573; and the income from Rs.767 to 11,313. There are many municipalities in Mysore than in British India. The opinions of the Deputy Commissioners appear to be that these municipalities should not be converted into Unions; and that all

Taluk head-quarters must remain municipalities; a union would not have sufficient funds; union funds will be neglected as they are merged into district funds &c. These objections are based on the existing system and therefore, do not apply to the proposals above formulated. There is no necessity to lay down any hard and fast rule that taluk head-quarters must be municipalities. The question whether a certain town or village is fit to be constituted into a municipality depends not on its population only but on its importance and on the capacity of its inhabitants to take an intelligent share in the administration and to lay themselves for the purpose of local affairs. The difficulty was solved in Madras by the institution of notified areas - a course recommended in one of the notes in the collection of papers on Local Self-Government, dated 27th Feb. 1914. I am in accord with the recommendations made in that note and would, therefore,

(i) convert the more important amongst the non-regulation municipalities into district municipalities;

(ii) convert a few suitable places where there are non-regulation municipalities into Unions according to local conditions under the new scheme; and

(iii) turn the remaining smaller municipalities into notified areas under the new Local Boards Act.

A re-distribution of the local institutions as indicated above will have to be done after careful local enquiry through the Deputy Commissioners.

The notified areas should be administered by the District Board general establishment and only some of the provisions of the new Regulation may be enforced in those areas according to circumstances demand - for instance, control over [illegible] life, compulsory vaccination, control over dangerous trades, control over water-supply - may be

exercised by a notification in certain selected areas of rural parts with the aid of the general agency that may work under the control of the Taluk or district boards as the case may be. This system has been tried ~~to fairly~~ by me and has proved an ~~immense~~ immense success.

Turning now to the exact position of Unions under the new scheme, I should first lay down as an indispensable condition before a Union is established, that it comprises within its jurisdiction an area which must be homogeneous, allied together in interest and affording scope for work amongst the residents thereof, which will not arouse divergent claims or conflict. This has been overlooked in Madras. Once such a union is established it should have its own financial autonomy, subject to broad restrictions and control to be exercised by the District Board as the agent of Government. The Unions must have their own budgets, their own establishments, they must raise their own taxes and manage their own services for the benefit of the Union population. They should generally have an elected President not necessarily the shanbhog of the village; they should have a majority of elected members and their body should not exceed the number of 9 or consist of less than number 5. The Unions thus established should exercise civil functions and constitute the Village Court. There should also be a separate Panchayet Regulation in the State, constituting such Unions and giving them an independent position. Government by notification may extend the powers of such Unions according as circumstances permit, vesting in them a right to supervise and control matters relating to village education, village medical aid, and other communal interests, such as village forests, village grazing, village land [illegible]. In fact, the several orders issued by the [illegible] Government for the improvement of the villages may all be co-ordinated and systematised under

the present Local Self-Government Scheme by giving all such orders a statutory basis and thus taking away from them their purely executive character.

Union finance is a very important matter and it is no use establishing institutions without any financial stability. There has been a concensus of opinion that the Local Funds general may be abolished, that the village school fund should also be abolished and that additonal subventions for specific purposes should be systematically given to local bodies. These recommendations seem suitable and may be given effect to ; and the District Fund created to take up all the functions suitable for local bodies, the entire cess and other receipts of the Local Fund General and Village school fund being transferred to it. The proposal to transfer the whole of the mohatarfa collection now credited to the General Revenues to the District Boards may or may not be accepted so long as a subvention equal to the amount is provided for as addition to the District Fund./ Tax on vacant building sites in villages should be levied by the Unions themselves and each District Board should contribute a certain quota of the general revenues under the District Fund, to (1) rural areas where Unions have not been established, administered by the Local Boards (2) to Unions

Under the above scheme most of the unions will be self supporting and will be able to devote a major portion of their revenues for the benefit of the inhabitants within the union area. A Union fund may be constituted somewhat on the lines of the recommendations of the Decentralization Commission which provides for special grants also, for particular objects of local improvements by the Taluk boards. It is also essential that the [illegible] of accounts, to be prescribed for Unions

should be simple. The Madras Government have only recently discovered the drawbacks of having an elaborate system and have appointed a special officer to simplify and reduce the number of accounts and statements to be maintained to a minimum. The establishments should be on a very limited scale the village agency being resorted to as far as possible for the different services.

The Unions of course should be given the privilege of returning one member to the Local Board of the Taluk or the Sub Division as the case may be .

TALUK BOARDS

The Committee recommend that the Taluk Boards be reconstituted on the Madras model and that in Taluks under the direct charge of a Deputy Commissioner a separate Taluk Board should be constituted for each Taluk; and that such Boards should have corporate existence and independent funds. They recommend that one half of the local cess should be at the disposal of the Taluk Board, that the entire mohatarfa on houses and carts as well as hittal tax on non-union areas should also be made over to them. It is no doubt true that there is a general d sire to have a Taluk Board for each revenue taluk but it is generally forgotten that the revenue administration and the local fund administration need not necessarily be conterminus

An option should be given in the regulation to establish Taluk Boards for each Taluk wherever necessary but no hard and fast rule on the subject need be laid down. In the earlier stages it may be necessary to do contract work as well as energy by the establishment of a Taluk Board comprising several

several Taluks in one Revenue sub Division, the ultimate goal being the principle that the Revenue Taluk is ordinarily as stated by the Decentralisation Commission, the best jurisdictional unit for a sub District Board. It is therefore necessary to make the Taluk boards independent of the District Board so far as at least some of the functions are so concerned which may be better performed by local agency; and in this matter the draft order seems to be correct. I cannot do better than quote the recommendations of the Decentralisation Commission in this respect which may be accepted in toto:-

" District Board's functions should be those which the smaller boards are not fitted to discharge such as the construction of the main roads in the district and recruiting for certain branches of work under the control of the sub district Board, which are common to the whole district ".

" District Boards should have an adequate staff of overseers etc., both for their own work and that of the boards under it. A general district service of this sort is more economical than separate staff for each board"

" District and Sub District Boards should have full powers in the allotment of funds and the passing of estimates for works within their jurisdiction, without any restriction."

The proposed list showing the distribution of work between the District Board and Taluk Board may be formally approved.

I see in the draft order that the recommendation of the committee about the village school fund have not been accepted. I think that this decision

should be modified. If primary education should be gradually transferred to Local Boards, there is no reason why the village school fund should not also be likewise transferred.

The finances of the District Boards which are now undergoing my examination do not appear to be in a satisfactory condition. The recurring charges have to be carefully examined and it may probably be found necessary to supplement the resources of the District Boards by annual subventions from the provincial revenues. This subvention should be made under a definite principle. It is hard to conceive of any better arrangement than that recommended by the decentralisation commission viz., :- " The 25 per cent Govt. grant on their land receipts should be distributed rateably to each district Board, to make them more independent financially.". No lumpsum grant need be fixed for the purpose. I am not in favour of providing any increase in the rate of land cess over the one anna limit in any case. There are several cesses and taxes in the State already and it would be unfair to the rural population to enhance the local cess. I am also not in favour of authorising Boards to levy any special cess except the railway cess.

As regards financial ~~economy~~ autonomy, the rural Boards should have full discretion to spend their resources. They should be able to levy rates and fees at their discretion within the statutory limits. They may submit their budgets to the Deputy Commissioner for information. All petty supervision now exercised by Government should be done away with. Lastly the Boards- District as well as Sub Taluq Boards- should have full control over their establishments.

It is necessary to provide for a general district board establishment for the discharge of those common functions that will devolve on that board under the new scheme, as well as for the exercise of supervision over the Taluk Boards and Union Panchayets which will be necessary if the district board funds are to be alloted to supplement the resources of those institutions. It may be premature to provide for a separate engineering establishment all at once but the scheme should make room for the entertainment of such establishment wherever necessary. At present a local fund engineer may be given for a couple of district boards which will be an economical arrangement the control of the P.W.D. over local fund works should be gradually withdrawn. / The proposal to have a provincial executive for municipalities and dist. boards is directly opposed to giving freedom of action in regard to local boards and municipal administration. I am totally opposed to the scheme which I consider is unworkable. I am also opposed to the establishment of a central authority to work under the orders of Govt. to see that the local self Govt. scheme devolops in the right direction. Such a centralised authority will be unsuited to the organisation of this country. It will be sufficient if the Dist.board coordinates the local activites within the district. Let each district develop on its own lines and satisfy its own requirements; and try and foster a true spirit of local self Government amongst the people by developing those societies which are to be created on the draft lines. Too much centralisation on the lines indicated in the draft order will in fact operate prejudicially against a healthy development of local self Government in the State. Too before one to be self

sufficient and self contained, Government control being reduced to a minimum. A great deal will however depend on the tact and sympathy of the Deputy Commissioners in seeing that it works well.

Separate rules will have to be framed to regulate the working of the different principles above suggested and this will be an easy matter if the main lines are discussed and decided upon.

RECOMMENDATIONS OF THE DECENTRALIZATION COMMISSION

....

VILLAGE PANCHAYETS.

1. commencement should be made by giving limited powers in those villages where there is homogeniety, natural intelligence and freedom from feuds

2. Grouping of villages should not be as a general principle The village shd be the ordinary unit of administration. Local feelings and interests of individual villages shd be brought together GROUPING would bring in a fresh set of - artificial organisms,

3. Panchayet might be entrusted with the village sanitation works, upkeep of village roads and the construction of rest houses

4. Attempt to force rural sanitation from above has failed in India Panchayets shd be encouraged to keep the villages clean in their own way

5. Development of primary education should be preferably by grant-in-aid to indigenous institutions

6.(a) Panchayet's revenue should be from the following:-

1. assignment of a portion of the land cess levied for local board purposes in the village At present villages do not receive any return for the payment of the cess

2. Special grants for particular objects of local improvement to be made by sub-district Bds

3. Receipts from cattle pounds and market fees

4 Small fees on civil suits filed before it

(b) In dealing with funds in their charge they shd not be subjected to very rigid rules of audit

Not necessary that each year's funds shd be expended within the financial year Balances could be allowed to accumulate until they can be applied to real purpose.

They shd be free from the interference of local lower Government subordinates.

RECOMMENDATIONS OF THE DECENTRALIZATION COMMISSION

RURAL BOARDS.

1. Taluk will ordinarily be the best jurisdictional unit for sub-district board.

Not desirable that both taluk & sub-divisional boards should exist in the same district.

2. District Board's functions should be those wh the smaller boards are not fitted to discharge - such as the construction of tnw main roads in the district and recruiting for certain branches of work under the control of the sub district Board, which are common to the whole district.

3. Distt Boards should have an adequate staff of overseers etc., both for their own work and that of the boards under it A general district service of this sort is more economical than separate staff for each board.

4 Distt & Sub Distt Baords shd have full powers in the allotment of funds and the passing of estimates for works within their jurisdiction, without any restriction

They shd have the right to call for advice and assistance from the Govt P W D

5. Sub district boards which shd deal with education should be allowed to control the apptt and promotion of board school teachers, should have discretion in the matter of the extent to which they will aid private institutions, and should have - power to close a school without ~~outside authority~~ interference from Govt department

6. In the matter of elementary education, there should be further inspection of board and aided schools on behalf of Govt to watch the cahracter and working of these institutions.

~~7~~ The rural board's inspecting agency should be a district board service available for all the local boards

Rural boards shd , as far as possible, promote education by grants-in-aid to private institutions rather than through board schools

7, Hospitals and dispensaries in rural tracts shd ordinarily be under the control of sub district boards and the staff required therefor should form a regular board service, just as the Enginnering & the inspecting staff of the District Board

8 Vaccination and vaccinators should be controlled by sub district boards, subject to outside inspection by Government officers

9 The 25 per cent Govt grant on their land receipts shd be distributed rateably to each distt Board, to make them more independent financially

10. District boards shd not have power to raise the ordinary land cess beyond one anna in the rupee on the rent value and

Sub district boards should not be able to levy any independent land cess of their own.

11. With the exceptions mentioned above, rural boards may levy rates and fees at their discretion within the statutory limits. Where no such limits are prescribed, any change in the rates should be subject to sanction of the Commrs.

12. Rural boards should have full discretion as to spending their resources.

13. They should have full power to pass their budgets subject to the maintenance of a prescribed minimum balance, which shd not be depleted without due sanction.

14. Both the District and Sub Boards may have the above powers But ~~the Distkx~~ they should forward their budgets for information to the Collector & the Commissioner The sub-board should send its budget to the district board also.
(The power vested in the Distt Board to distribute Govt grants among sub boards will give it sufficient financial control).

15 The failure of the existing system of election is due to two causes - (i) the sub boards had no real responsibilities and powers owing to want of funds and excessive control (ii) no due representation of minorities and large landowners and persons of high social life did not submit to the vote of an ordinary territorial constituency
Hereafter the village panchayet will furnish an ~~in~~ electorate for more effective elective representation in local boards

16 Collector shd remain President of District Bd

17 Proceedings of the Sub Boards shd be in the vernacular,

Confidential

LOCAL SELF-GOVERNMENT.

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Municipal.

The number of Municipalities at the end of June 1915 was 59 of which 36 were governed by the Municipal Regulation. The income of all municipalities in the State amounted to Rs.10,80,920 and the expenditure Rs.9,90,136, including previous accumulations, ~~leaving a closing~~ balance of Rs.10,65,432 at the end of the year in favour of municipalities

The Mysore Municipal Regulation was amended, amongst other things to empower municipalities to raise, with the sanction of Government, loans for constructing works of a permanent nature.

The Bangalore City Improvement Committee, the formation of which was referred to in my last year's address, submitted a preliminary report dealing with the more urgent requirements of the city. Government have recently passed orders approving generally of the Committee's proposals, and agreeing to bear a material share of the cost of the improvements, if the Municipal Council are prepared to bear the remainder.

Government have also sanctioned certain proposals of the Mysore Improvement Trust Board for improvements in the Mysore City. They include extensions to the Devaraj Market, relaying the market square, construction of a new Municipal Office and a [illegible] for housing the poor. In view of the increase in the number of works to be

underwriting the grant to the Trust Board has been raised to 3½ lakhs per annum till further orders.

District Boards.

The receipts under District Funds amounted to Rs 13,23,503 and the expenditure to Rs 11,18,646. The income and expenditure under Local Fund general were Rs 2,06,470 and Rs1,58,400, respectively.

In exercise of the powers recently conferred on District Boards, Railway cess was for the first time levied in the Kolar District and yielded a revenue of over Rs.47,000. The District Boards of Tumkur and Chitaldrug have been authorised to collect a similar cess in their districts from 1st July last.

The District Board of Shimoga are raising funds for the construction of Railways in the interior of the District.

Reform of Local Self-Government

47

The question of reform of Local-Self-Government in Municipal and rural areas with a view to place it on a more popular and endemmouring basis has been the subject of earnest consideration for some time past. To examine the subject from various points of view Government appointed two Committees, one presided over by my esteemed colleague, Mr.M.Kantaraja Urs, to deal with the constitution and functions of local bodies, and the other with Rajamantra Praveena Mr.C.Srinivasiengar as Chairman to consider the question of the improvement of their financial resources. The reports of the two Committees have been published for general information. The recommendations of the Local Self-Government Committee were also discussed at the Local Boards Conference held in Mysore in June last under the presidency of Mr.K.P.Puttanna Shetty. The Conference, I may say in passing, owed its success ~~mostly~~ chiefly to non-official initiative.

It is generally admitted that Local Self-Government in Mysore has not progressed satisfactorily and ~~the~~ that local bodies are not playing their legitimate role in the administration of the country. The apathy displayed by these bodies is attributed chiefly to the deficiency of elected popular element and to the want of reasonable powers of control over their funds. His Highness' Government have therefore come to the

conclusion that steps should be taken to associate the representatives of the people more largely with the administration of local affairs.

The main lines on which Government proposed to take action are indicated below:-

In regard to Municipal Councils, it is proposed to constitute three classes of Municipalities, viz., 'City', 'Town' and 'Minor' on the basis of population. The elected element will be not less than two-thirds in City, half in Towns and one-third in Minor Municipalities. Presidents in select cases and Vice-Presidents more largely than now, may be elected in city and town Municipal Councils. Larger powers will be conceded to Municipal Councils as regards establishments, works and budget. The scrutiny of Government over budgets will be restricted to a few specified points. The effect of these changes will be to increase very largely the popular character of the councils and the powers they can exercise within their areas.

As regards the District and other Rural Boards, their constitution will be modified so that there may might be an elected majority in all Local Boards. It is proposed to sanction, with some modifications, the recommendation of the Local Self-Government Committee that the Taluk Boards and Unions should not be merely the agents of District Boards but should have a real corporate existence, independent funds and budget, and

should be able to exercise within their own jurisdiction all the functions of the District Board. The powers of Rural Bodies with regard to establishment and budget will also be increased.

An important change is contemplated regarding the enlargement of the functions of these bodies. It is proposed to transfer tentatively the control over primary education and medical relief to selected Local Bodies and to invest the District Boards with power to pass and submit resolutions for the consideration of Government in matters which do not come ordinarily within their functions, but which pertain to local questions connected with the ~~general~~ administration of the District.

The Chief difficulty which hampers the progress of Local Bodies ~~lies in~~ is the general unsatisfactory condition of their finances. The Local Finance Committee who dealt with this question have recommended that the Local Funds General should be abolished as a distinct fund and made over to Local Boards and that the mohatarfa now credited to State funds should also be assigned to Local Bodies. In addition to the assignment of these revenues, they were in favour of large grants-in-aid from Government. ~~This~~ These recommendations involve an immediate sacrifice of a considerable amount to the State funds and is under the consideration of Government.

I have outlined a few of the salient features of the proposals which have tentatively commended themselves to Government,

with a view to obtain the opinion of this Assembly in case the members desire to offer any suggestions.

Public criticism will also be invited separately and considered before a final decision is reached.

I think the views about improvements in Local Self Govt. may remain as expressed herein.

10/10/15

First memorandum note on LOCAL SELF GOVERNMENT SCHEME.

Trimmich Chetty

(4)

I. PRELIMINARY NOTES.

1. Municipal Regulation was passed in 1906.

2. Apathy hitherto noticed is attributed to preponderance of official members and the subordination of the Councils to Government officials.

3. The object was to constitute all the District head-quarters and important towns with a population of 5,000 and over into Municipalities.

II. MAIN FEATURES OF ADMINISTRATION REPORTS

The following are gathered from the Administration Reports year after year -

1906-7 - 1 The attendance of officials was bad

2 There was short collection under House and Mohatarfa taxes, so much so that nearly 50 per cent of the same remained uncollected at the end of the year.

1908-9 - 1. 20 local areas were notified as Municipalities additionally

2. Out of 844 members in minor municipalities, 302 were official and 542 nominated

3. Collection work was equally bad especially under House and Mohatarfa

4 Order dated 26th March 1908 under which 2 or 3 councillors were required to audit the Municipal accounts once a month

5 Heavy embezzlement in the Bangalore City Municipality

1909-10. 1. Deficiency in the number of meetings owing to want of quorum

2 Elections did not fulfil conditions prescribed, eleven seats were filled up by nomination

3 In many municipalities, attendance of voters less than 30 per cent

4. In many municipalities 26 to 59 per cent of the demand remained uncollected.

5. It was remarked that accumulation of arrears year after year ultimately leads to the necessity for remission of large amounts, besides affording ample scope for misappropriations and irregularities

6. Defalcations this year also.

1910-11.

1. Out of 89 municipalities, 27 only were constituted under the Regulation and 62 under Executive orders.

2. Out of 1016 members, only 122 were elected.

3. Deficiency of meetings for want of quorum.

4. Non-official attendance better than that of officials.

5. Collection under current demand and arrears very unsatisfactory Over Rs.10,000 remitted in Bangalore - City.

6. System of collection was through a special collector in Bangalore, Special Duty Amildar in Mysore and under the supervision of Vice-Presidents elsewhere.

Village servants were employed in some of the municipalities to do collection work on payment of a commission.

7 Local Audit staff was entertained for auditing municipal accounts this - year.

1911-12.

1. Similar features as in previous years.

2. Remission of 14,000 irrecoverable arrears in Bangalore and Mysore alone.

Percentage of arrears under current demand exceeded 40 per cent in many municipalities.

3 At least one Dy Commr reported that introduction of the Municipal Regulation into smaller municipalities like Chitaldrug and Harihar was not premature But the Mysore Dy Commr said that the Municipal Regulation was not in its full operation in any municipality in the District, no municipality having framed any bye-law to re- [illegible] the house-tax and extend to other [illegible] matters.

1912-13

1. About 50 per cent of the voters took part in the elections.

2. Dy.Commrs of Bangalore and Mysore were relieved of their duties as Presidents, non-officials one being appointed in Bangalore and an official paid man in Mysore as a tentative measure.

3. Deficiency in the number of meetings due to want of quorum.

4. In many municipalities, the average attendance was less than 50 per cent of sanctioned strength.

5. Under P W expenditure, there were heavy lapses, in one case that is in Bangalore, amounting to 90 per cent of the grant.

6. Defalcation discovered in audit and the defect generally were - (i) want of payee's receipt in support of payment and non-maintenance of cash-book in many municipalities.

1913-14.

1. Non-official Vice-Presidents were appointed in 4 places. There was great remissness in the matter of elections. In 13 places triennial elections were not held at all for lack of understanding of rules, & the terms of existing Municipal Councils had to be extended. In one case, the privilege of election was withdrawn.

2 Only 77 per cent of the demand was collected and out of arrears of previous years, 65 per cent was left uncollected.

3. Audit of accounts was regarded by most municipalities as a formal affair The Local Audit staff disclosed many irregularities

Re-
III. RECOMMENDATIONS OF THE COMMITTEE FOR THE IMPROVEMENT OF LOCAL SELF GOVERNMENT

1. The recommendations of the Committee go further than the recent resolution of the Government of India.

2. The Regulation has not been fully understood by the Councils and the people Government is still continuing to exercise some powers of sanction and interference in the everyday administration as they did in pre-Regulation days.

3. The provision as regards the head of the Executive has not been understood and paid Presidents and Vice-Presidents have been appointed & vested with all executive powers by creating certain legal fictions.

4. The Regulation has been found to be too complex and many of its obligatory provisions have been unworked.

5. The anomaly of having Municipal Boards under Executive orders of Government still continues.

6. Unions have not proved popular or useful and and it is revolting to the ~~xxxxxxxxx~~ sentiments of non-Regulation municipalities to be reduced to Unions.

7. The Committee recommend the constitution of three kinds of municipalities - Metropolitan, Town and Minor - with reference to importance and revenue, with a population of 25,000, 7,000 and 2,500 respectively

8 Under existing orders, the President of non-regulation municipalities in the district as also Regulation municipalities in Taluks, the revenue administration of which is under his direct charge - is the Deputy Commissioner, the Sub Division Assistant Commissioner being President of Regulation municipalities in Taluks under his immediate jurisdiction

9. The appointment of Dy Commr as President is nominal, there is great congestion of work and delay in the despatch of business

10. The Committee recommend non-official Presidents and Vice-Presidents, if forthcoming They admit that suitable candidates are not now available

11 In Taluks under ~~xx~~ their direct charge, Amildars are recommended as Presidents and in other places, Sub Division Assistant Commrs , Vice-Presidents being elected by Municipal Councils

12 As regards amendment of the law, the Committee recommend the adoption of a provision similar to the Bombay District Municipalities Act

13 They also recommend that the administrative control of primary education and medical relief be delegated to Municipalities, and also certain decentralization of powers

10

14. The Committee say nothing about the resources of municipalities or the means of increasing them

The more important points refer the suggestions for the improvement municipal finance, are flagged in compilation.

The figures of the Provisional Bs for 1916-17 (municipal) are not being compiled yet, as most of them have not been received from the Burghs

First draft
(contains Mr Kaulkaray's corrections) -

12 10 15

LOCAL SELF-GOVERNMENT.

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Income-tax

District Boards.

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The question of revival of Local-Self-Government in Municipal and rural areas with a view to place it on a more popular and endeavouring basis has been the subject of earnest consideration for some time past. To examine the subject from various points of view Government appointed two Committees, one presided over by ~~Mr. [illegible]~~ Mr. N. Kantaraja Urs, to deal with the constitution and functions of local bodies, and the other with Rajamantra Pravina Mr. G. Srinivasaiengar as Chairman to consider the question of the improvement of their financial resources. The reports of the two Committees have been published for general information. The recommendations of the Local Self-Government Committee were also discussed at the Local Boards Conference held in Mysore in June last under the presidency of Mr. K. P. Puttanna Chetty. The Conference, avoid its ~~[illegible]~~ to non-official initiative.

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additions may be adopted
SR 12/10

[illegible] to [illegible] that the

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As regards the District and other Rural Boards, their constitution will be modified so that there may might be an elected majority in all Local Boards. It is proposed to [illegible] tion, with some modifications, the recommendation of the Local Self-Government Committee that the Taluk Boards and Unions should not be merely the agents of District Boards but should have a real corporate existence, independent funds and budget, and

Vide Resolution (4) of Part B of this conference which does not exclude more than that for the [illegible]

As regards the constitution of the District and other Boards, the proportion of elected element will be [illegible] at least two thirds [illegible] of District Boards, [illegible] not half in the case [illegible] Boards and Unions.

should be able to exercise within their own jurisdiction all the functions of the District Board. The powers of Rural Bodies with regard to establishment and budget will also be increased.

This sentence may be retained SPL

An important change is contemplated regarding the enlargement of the functions of these bodies. It is proposed to transfer tentatively the control over primary education and medical relief to selected Local Bodies and to invest the District Board with power to pass and submit resolutions for the consideration of Government in matters which do not come ordinarily within their functions, but which pertain to local questions connected with the administration of the District.

The Chief difficulty which hampers the progress of Local Bodies is the generally unsatisfactory condition of their finances. The Local Finance Committee who dealt with this question have recommended that the Local Funds General should be abolished as a distinct fund and made over to Local Boards and that the monetaria now credited to State funds should also be assigned to Local Bodies. In addition to the assignment of these revenues, they were in favour of large grants-in-aid from Government. These recommendations involve an immediate sacrifice of a considerable amount to the State funds and is under the consideration of Government.

I have outlined a few of the salient features of the proposals which have tentatively commended themselves to Government,

with a view to obtain the opinion of this Assembly in case the members decide to offer any suggestions.

Public criticism will also be invited separately and considered before a final decision is reached.

Immediate

G R S III—3]

Routine Notes

[To be used only for notes, requisitions, etc, not intended for permanent record.]

Subd to the Revenue Secretary

The 2nd Member wants urgently the file ending with G O regarding Local Self Government Scheme for both Municipality and Local Boards and also the two Legislative files, connected therewith

20/6/17

The file ending with ~~containing~~ to G O re the L S G scheme is represented put up.

This may be sent for III for submission to 2 member after putting up Legislative files referred to

21/6/17

To Dr III

The file regarding the amendment of the Mysore Municipal Regn has been separately sent to 2nd member today. The file regarding the Local Boards Regn is before Council

24/6/17

May now be Subd

N B—Should [illegible] be written on small slips [illegible] copied or [illegible] on [illegible]

G R S III—3]

Routine Notes

[To be used only for notes, requisitions, etc, not intended for permanent record]

[illegible]

The Second Member.

HMK
21 6 1917

[illegible]
on the subject

21/6/17

173
21-6-17

Second Member 21/6/17

21/6/17

[illegible]
[illegible]

30/6/17

30/6/17

To Branch IV

HMK
30.6.1917

[illegible] — Should [illegible] to be written on [illegible] all dips [illegible] the [illegible] be copied [illegible] shipping [illegible] on the [illegible]

10

FILES CONNECTED WITH THE LOCAL SELF-GOVT: SCHEME.

.....

Returned to the General Secretary with a copy of the draft Government Order put up by me, for favour of doing the needful. A copy of the draft has also been forwarded to the Dewan.

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NOTE TO ACCOMPANY THE DRAFT GOVERNMENT ORDER.

.....

1. As it was pointed out by the Dewan in Council that the classification of Municipalities as made in the draft order has already been resolved upon and that the policy underlying the classification is one to which the Durbar is committed by virtue of the Dewan's announcement at the last Year's Representative Assembly and that therefore, no modification is at this stage possible, I have nothing further to say although I still adhere to the opinion that any automatic and artificial expansion of Municipal institutions in the manner proposed, is not likely to be successful It is a good thing that an enabling provision has been introduced in Council so that before enforcing the classification in all towns and villages, - Government will have an opportunity of judging the merits of each case.

2. The original draft has been adopted with slight modifications and amplifications here and there involving two main changes - viz., (i) Proposal regarding the provincial staff has been modified, (ii) the idea of a Central Executive authority has been given up

62

PROCEEDINGS OF THE GOVERNMENT OF
HIS HIGHNESS THE MAHARAJA OF MYSORE.

Read -

Order No

Dated Bangalore, 1916

3

MAIN HEADINGS AND SECTIONS OF THE GOVERNMENT MEMORANDUM ON LOCAL SELF-GOVT.

[redacted]

I. PRELIMINARY.-

(1) Brief History of Local Self-Government in Mysore.

(2) Circumstances demanding a forward step now.

(3) The work done by Local Self-Government Committee and Local Finance Committee and Local Boards Conference.

II. Municipalities.-

(1) Kinds of Municipalities.

(2) Constitution.

(3) Chairmen

(4) Chief Executive Officers.

(5) Enlarged powers

(6) Increased scope of work.

(7) Financial resources and Municipal taxation.

III. District, Rural Boards and Village Panchayats.

(1) The proposals of the Local Self-Government Committee

(2) Modifications suggested in the Scheme

(3) Enlargement of their functions so as to approximate to a District Council

(4) Finances of the Rural Boards and Village Panchayats

(5) Provision for local improvements and developments

IV. NEW FEATURES.-

(1) Necessity for outside control

(2) Powers and functions of a Central Commissioner.

(3) The desirability of having a Provincial Municipal and District Boards executive staff.

[redacted]LIMINARY.

MEMORANDUM.

~~The first~~ steps in creating [redacted] local bodies for the control of local affairs were taken in the State in the year 1862 when Municipal Committees were experimentally constituted for the cities of Bangalore and Mysore. The measure having proved a success, similar Committees were formed for the 8 district head quarter towns and gradually for other towns also By 1872-73, there were 58 Municipalities serving -- the needs of an urban population of - nearly 5 lakhs with an annual income of Rs. 3½ lakhs. The next step was the constitution, in 1874 of local district committees in rural areas for the administration of local funds levied within thr District to provide for works and undertakings such as hopitals, roads, dharmasalas, markets wells and other -- sources of water supply &c. Then institutions were constituted and worked under the executive orders of Government, except in the case of Bangalore and Mysore cities The need for placing the workings of these bodies on a statutory and definite basis was indeed felt very early, but though th institutions have been working for well-nigh half a century, ~~it was not till a out a decade ago that~~ the Local Boards Regulation of 1902 and the Municipal Regulation

lation

[illegible] Municipalities classified according to their income.

Serial No.	District.	Under Rs. 1,000		Rs1000 to Rs1500		Rs1500 to Rs2000		Rs2000 to Rs3000		Rs3000 to Rs4000		Rs4000 to Rs5000		Rs5000 to Rs10,000		Rs10,000 to 15,000		Rs15,000 to 20,000		Over Rs20,000		T o t a l.		Municipalities. No. of Regulation Municipalities.		No. of Non-Regulation Municipalities.	
		1906-7	1914-15	1906-7	1914-15	1906-7	1914-15	1906-7	1914-15	1906-7	1914-15	1906-7	1914-15	1906-7	1914-15	1906-7	1914-15	1906-7	1914-15	1906-7	1914-15	1906-7	1914-15	1906-7	1914-15	1906-7	1914-15
1.	Bangalore	-	-	1	-	1	1	3	5	3	4	3	1	1	1	-	-	-	-	1	1	13	13	1	6	12	7
2.	Kolar	2	1	-	-	1	3	-	2	1	-	-	2	3	1	2	2	-	-	-	1	11	11	-	6	11	5
3.	Tumkur	1	-	-	-	2	2	1	-	3	2	1	3	1	1	1	-	-	-	-	1	10	10	-	2	10	8
4.	Mysore	2	1	-	-	2	4	2	7	4	1	1	1	1	4	2	-	-	-	1	2	19	20	1	11	18	9
5.	Hassan	-	-	-	-	-	-	2	-	4	3	-	1	1	3	1	1	-	-	-	-	8	8	-	2	8	6
6.	Shimoga	1	-	-	-	3	1	5	2	1	1	-	-	1	3	-	-	-	-	1	1	10	10	2	2	10	8
7.	Kadur	-	-	-	-	3	2	-	1	2	-	-	1	1	2	1	1	1	-	-	1	8	8	-	4	8	4
8.	Chitaldrug	-	-	-	-	4	-	2	1	-	4	1	-	1	2	-	1	1	-	-	1	9	9	-	3	9	6
	Total.	6	2	1	8	18	7	17	18	18	15	6	9	10	17	7	5	2	-	3	8	88	89	2	36	86	53

Remarks

1-10 cgb

The above figures show that im most districts there are a large number of regulation and non-regulation municipalities under the control of the Deputy Commissioners and ~~most~~ majority of them were ---- constituted under executive orders.

Under existing orders, the president of non-regulation mininipalities in the district as also Regulation Municipalities in Taluks, the Revenue administration of which is under his direct -- charge- is the Deputy Commissioner; the Sub Division Assistant Commissioner being President of Regulation Municipalities in Taluks under his immediate jurisdiction.

The appointment of Deputy Commissioner ~~ner~~ as President is nominal, there is great congestion of work and delay in the despatch of business

For some time the attention of Government as well as the public has been drawn to the subject of enhancing the utility of these bodies for the purposes of local administration. In a letter to the Government of India, the Durbar wrote in 1885 "It has been found difficult to awaken in the minds of the non-official members ~~most~~ most interested, a full sense of their powers and duties and

and the whole administration has practically fallen into the hands of Government officers. This is chiefly owing to the preponderance of the official members and to the undefined and almost unlimited subordination of the Committees to Government officials in the administration of the funds". These remarks apply, it will be admitted, with equal force at present, especially with regard to the District and Taluk Boards and Minor Municipalities. In spite of the advance in Education and enlightenment in recent years, There is reason to believe that the apathy displayed by the non-offical members of the local bodies is attributable to a great extent to----

(1) the deficiency of the elected popular element,

(2) the want of reasonable powers of disposal over their funds, and

(3) interference in details even now exercised ~~in details over the members~~ by departments of Government over the affairs of local bodies.

Government therefore consider that the time has come to review the progress made and to take such forward steps as are considered desirable so as to associate

associate the people more and more largely with the administration of local affairs.

The work of the Committees.

3. Recently two Committees consisting of Government officers and non-official gentlemen have considered the constitution, functions and finances of local bodies and their valuable and interesting reports have already been placed before the public. In June 1915, the recommendations of the Local Self-Government Committee were discussed along with other subjects by a Local Boards Conference, which was representative of nearly all the local bodies in the State. The recommendations made by these bodies are entitled to great weight and they appear to Government to be well thought-out and moderate. The specific recommendations made by them will now be considered

I. M U N I C I P A L I T I E S.

1) Classes of Municipalities. Taking Municipalities first, the Local Self-Government Committee are of opinion that it is not advisable to disestablish the large number of existing non-Regulation Municipalities or to convert them into unions. They suggest that these bodies may be recognised as minor municipalities to which some of the complex provisions of the Municipal Regulation may be declared inapplicable and that the two other classes of Municipalities may also be recognised viz., the City Municipalities and the Town Municipalities. Government ~~ought~~ --- accept these views which are endorsed by the Conference, with the modification that the limits of population for Town and Minor Municipalities will be 5000 and 2000 respectively. As a result of fixing this limit, many towns which have municipalities now- regulation and non-regulation- may be deprived of the privilege of municipal Self-Government, but Government reserve to themselves the right to extend the Municipal Regulation to such of them as by past experience have become entitled to retain the privilege, on the other hand, as some towns with the population fixed may not yet be ripe for municipal Government. Government will provide in the Regulation to [illegible] something provision so that [illegible] may not get automatically

automatically in each and every case. It is observed that beyond recommending this classification, the Committee offer no detailed ~~[illegible]~~ suggestions as regards the varying powers to be given to, and degrees of control to be exercised over, the different classes of municipalities. Government are of opinion that a greater degree of control would be ~~[illegible]~~ necessary at least for some time to come in the case of minor municipalities where ~~they~~ there may be little or no public spirit.

The constitution of Municipal Councils is not dealt with fully in the report of the Committee but was discussed at the Conference. It is necessary that in order to rouse public spirit and enthusiasm and make them - living entities, the elected element should be strengthened as far as possible. Government therefore accept the recommendation of the Conference in this respect, viz., that the number of elected councillors should be not less than two-thirds in City Municipalities and half in town and one-third in --- minor municipalities; provided that in the 2nd and 3rd class of municipalities Government may have the discretion to increase the number of elected seats in special cases.

(3) C H A I R M E N.

Connected with the question of the constitution is the important one of the Chairmanship of these bodies. The Municipal Regulation, as it stands provides for the election of both President and Vice-President, if Government so direct, but till recently, these officers ~~were~~ have been generally nominated officials. The Government are prepared to accept, as a general policy, so far as conditions allow, the principle recommended by the Local Boards Conference, of electing Presidents or Vice-Presidents in City and Town Municipal Councils. In minor Municipalities, however, unless competent men are available, the President will continue to be nominated by Government, the Vice-President being, where possible, elected by the Municipal Council.

[illegible]

[illegible]

4) Chief Executive Officers. It is likely that elected Presidents and Vice-Presidentsw will be busy professional men who cannot devote their full time to superintend the details of municipal work. Moreover frequent change of executive head is detrimental to continuity of policy and administrative efficiency. Hence it is necessary that Municipal Councils should employ paid permanent men, so far as their funds permit to attend to the routine executive work under the control of and insubordination to the Presidents and Vice Presidents. The Municipal Rugulation contains a provision for the appointment of Chief Officer in City Municipal Councils for this purpose. This provision may be extended to Town Municipal Councils also with necessary modifications, and an official of suitable rank may be appointed for the corresponding duties in minor municipalities if there is sufficient work for him.

Enlarged powers.

The Committee pertinently point out that while the Regulation invests Municipalities Councils with very wide and comprehensive powers, and actual control exercised by Government is very large. It has been recognised everywhere that a certain amount of outside control is very necessary which is not incompatible with Local Self-Government. But such control should be limited to broad questions of policy. In accordance with this view, Government will be pleased to increase the powers now exercised by the Municipal Councils and separate orders will be issued in this respect in connection with a general scheme of decentralization now under consideration of Government Rough outlines of extended powers may however be indicated as follows

~~(115)~~ Budget - The Municipal Regulation provides that the budget of every Municipal Council should be submitted through the Deputy Commissioner to Government who may sanction it with such modifications as they deem fit It has been represented that this large and comprehensive provision is availed of for exercising very minute interference in details. Government agree that there is much force in this view. They consider that only the budgets of City and Town Municipalities should come up to them for sanction and that it will suffice if the budget of the minor municipalities are scrutinised and sanctioned by the Deputy Com-

Commissioners who even now have power to make remarks on the budget before forwarding them to Government Copies of the budgets sanctioned by the Deputy Commissioners may be sent up to Government for information. Ordinarily, the scrutiny of the Government or the Deputy Commissioner, as the case may be, will be limited to the following points -

(a) Whether the budgetted receipts are framed with due regard to the actuals of the previous years

(b) Whether the prescribed closing balance is maintained.

(c) Whether due provision has been made for the repayment of loans if any due to Government or to others, and for contributions for service rendered by Government departments.

(d) Whether there is any extravagant expenditure on the establishments requiring control - section 177 of the Municipal Regulations

(e) Whether all the Standing Orders and Rules framed by Government are duly observed

The interference of the sanctioning authority in other matters should be as limited as possible The Municipal Councils will also be conceded the power to make reappropriations of budget grants, both under major and minor heads, and to

sanction additional grants without encroaching on the prescribed minimum balance except for the purpose of increasing expenditure under establishment.

As against the enlarged powers, Government will reserve to itself the right of making a half-yearly local audit of municipal accounts and for this purpose a certain per cent of establishment charges incurred will be debited to the municipal accounts concerned. The Deputy Commissioner will be authorised to review all municipal administration reports except the city municipalities.

Increased scope of work.

The local Self-Government Committee and the Conference recommend that the administrative control of elementary education, medical relief including vaccination and muzrai institutions be vested tentatively under proper safe guards, to selected Municipal Councils. Government have no objection to try as an experimental measure the system of gradually transferring the control of elementary education and medical relief to Municipal Councils, which is in force in British India. When the Municipal Councils concerned make definite proposals in the behalf they will receive favourable consideration, the expenditure will be tried in selected municipal areas As regards Muzrai Institutions, Government are not in favour of the transfer of Muzrai institutions of all classes to the control of Municipal bodies. Minor institutions may be so transferred but for

major institutions, the better c
pears to be to vest them in Commitap.
their respective devotees as contemp
in the Muzrai Regulation.

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cial resources
and
ipal taxation.

MUNICIPALITIES

The receipts of 89 municipalities at the end of 1913-14 amounted to Rs.12,28,864. About 31 per cent of this was from octroi, House-tax and Mohatarfa contributed 9 & 8 per cent, respectively. The expenditure of the same year was Rs.10,92,000 The incidence of taxation per head of population was about Rs.1-10-0.

'igures to be ~~checked~~.

The Local Finance Committee have no suggestions to make as regards fresh resources of income and their recommendations are confined only towards the readjustment of the shop tax and octroi. They suggest that (1) octroi may be abolished and may be replaced by terminal taxes on goods in municipalities situated on railway lines and (2) that the mohatarfa shop tax may be replaced by professional taxes the schedule of which should be raised to the same level as in Madras. They are also agreeable to the enhancement of the House tax There is no data at present available to show how far these courses will result in any appreciable increase of revenue In their order dated 26th March 1912, Government have laid down their policy with respect to the abolition of octroi and it does not seem possible to go further at present. Government ~~con-~~

sider

however consider that there is great scope for augmenting the revenues of municipalities, by better and more systematic enforcement of existing power of taxation and by proper collection of their current demands. The rates of house-tax are in many instances unduly low and no systematic action is taken to revise the classification of houses and buildings with reference to their present market value. From the latest administration report it is seen that only 77 per cent of the current demand and 35 per cent of the arrears of previous years were collected. Government would urge on all the Municipal Councils the importance of obtaining the maximum revenue under the present sources and finding out fresh sources which they can tap for the benefit of their area. The question of ~~raising~~ the ~~taxes~~ of assessment requires consideration and the Municipalities will be consulted in all these matter before the amendment of the regulation is taken on hand

The Local Finance Committee also recommend that Municipal Councils be empowered to raise loans for productive works from the public Legislative action to give effect to this has already been taken and it is for each Municipal Council to take action and submit definite proposals to Government As regards the question of grants-in-aid they are being sanctioned to municipalities for useful work such as itation, water-works, drainage etc., inv lving heavy outlay As far as

funds are available, Government are prepared as a general rule, to grant half the capital cost for schemes duly approved by Government provided the Municipality satisfies Government of its ability to raise the other half and to meet the annual maintenance charges. In places where exceptional difficulties exist in this respect, there will be no objection to give special aid as occasions may arise for water-supply and other large but urgent schemes of public improvement

In carrying out the above scheme for the development of Local Self-Government in municipal areas the municipal regulation will have to be amended, detailed rules framed in regard to various matters dealt with above, and most of the so called non-regulation municipalities will have to be re-constituted on a statutory basis, all existing Municipal Councils constituted under the regulation and the 2 City Municipal Councils of Bangalore and Mysore will be requested to offer their opinion and suggestions as to the best means of carrying out the orders of Government on receipt of which the amendments of the regulation will be taken up

f the ocal

III LOCAL BOARDS

With regard to the Local Boards in rural areas, the Local Self-Government Committee supported by the Conference have made certain far-reaching p posals calculated to raise the im and powers of the Union

Boards. Under the existing Local Boards Regulation, the Taluk Boards and the Unions are merely the agents of the District Board with authority to discharge such duties and functions as may be delegated to them by the District Boards. As no administrative functions have been delegated to them, they are merely consultative assemblies with no distinct functions; and consequently they have not hitherto served any useful purpose in rural boards administration. The defects of the present system are -

1 The association of Amildars as ~~Municipal~~ the Chairmen of several Unions - many of these bodies have no funds to carry on Union administration ~~and~~ only ~~there~~ ~~where~~ little or no interest.

2. ~~Scheme~~ Chaos of ~~real~~ default and independent powers of Taluk Boards

The Committee, for instance, has recorded the opinion that the Mysore Local Boards Regulation is illiberal in the conferring of powers on Local Boards, the Taluk Boards of Mysore have been wholly inactive, the personnel of the Taluk Boards has been unsatisfactory, the funds at the disposal of ~~the~~ Local Boards are inadequate, and in fact, the system saps the very ~~spirit~~ spirit of Local Self-Government and that it should be abolished wholesale. It is complained that a large portion of District funds is now spent through the Public Works Department and heavy charges

as contribution are paid on that account, and also that the Local Boards are now fettered by so many restrictions by Government and that there is undue centralization. A very large number of recommendations have been made by the Committee for the re-adjustment of local boards The scheme suggested by the Committee is briefly to constitute Taluk Boards and Unions as incorporated bodies, having their own independent funds with authority to frame their own budgets, exercising all the functions of the District Boards within the limits of their jurisdiction. The Committee have, in paragraphs 49 to 53 of their report, submitted a detailed working scheme to give effect to their recommendation, defining the specific powers which are proposed to be allotted to the Unions. Taluk Boards and District Boards respectively.

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Modifications suggested in the Scheme.

Government accept the general principles on which the Committee's scheme is based, but would modify the scheme on a few points

(1) First as regards their constitution, it is desirable that there should be an elected majority in all rural boards and that the proportion of elected element should be not less than two-thirds in District Boards and half in the case of Taluk Boards and Unions. The rules regarding elections should be revised to empower graduates, advocates and pleaders to v

at and stand for election. As a rule, either the President or the Vice-Presidents of a rural board should be elected Under present conditions, it may not be possible to have elected Presidents, and so Vice Presidents should as far as possible be elected, ~~an honorarium in the shape~~ ~~of~~ a carriage or a local allowance being allowed. In addition to the Standing Sanitary Committee recommended, there should also be a Managing Committee for all rural bodies who will have the powers and functions similar to those in the Municipal Councils.

(2) It is proposed by the Committee that the area of the Taluk Boards should be, not the recognised unit of the Taluk but the Revenue Division which consists of one or more Revenue Taluks. Government consider that the balance of advantages lies in favour of having the Taluk as the unit, and accordingly direct that the existing provision under which each taluk has a board of its own may be adhered to, but their powers be enlarged as recommended by the Committee.

(3) The definition of the spheres of work between the Taluk and the District Boards outlined by the Committee in Appendix would suggest that the District Boards would be merely supervising bodies with no distinct functions of their own It is very necessary that the vitality of the District Boards should not be sapped by leaving them practically no

to do The proper course appears to Government to be that the District Boards should take up under their own control these functions and services which require a co-ordinated organization throughout the District and delegate to the Taluk Boards such functions as could be more or less localised. For instance, the Taluk Boards may be given the control of markets, slaughter houses, travellers' bungalows and musafarkhanas, planting of avenue trees, on roads in their control, cattle pounds, etc., while the District Boards may retain the construction and maintenance of roads which pass through a large portion of the District, construction of large public works, maintenance of relief works whenever necessary, management of ferries, etc The actual distribution of functions in each District will have to depend upon local circumstances and each District Board may submit proposals in this connection to the Government for sanction. The allotment of funds will, under this suggestion, follow the duties assigned to each Board, but it may be laid down, as a statutory rule, that not less than half the proceeds of the local cess in each Taluk be placed at the disposal of the Taluk Board concerned.

(4) One important suggestion made by the Committee is about the employment of a separate engineering establishment by local bodies to carry out public works instead of entrusting them to the State

Public Works Department as at present. The proposal will involve a redistribution of the State P. W. D. charges but Government will be prepared to transfer district fund works to Local Boards concerned gradually as soon as a scheme for redistribution of charges can be worked out and trained experts found for taking over such works.

The panchayets must have their own budgets, their own establishments, they must raise their own taxes and manage their own services for the benefit of the village population. They should generally have an elected President not necessarily the shanbhog of the village, they should have a majority of elected members and their body should not exceed the number 9 or consist of less than number 5. The panchayets thus established should exercise civil functions and constitute the Village Court. Government by notification may extend the powers of such panchayets according as circumstances permit, vesting in them a right to supervise and control matters relating to village education, village medical aid, and other communal interests, such as village forests, village grazing, village irrigation etc In fact, the several orders issued by the Government for the improvement of the villages will all be co-ordinated and systematised under the present Local Self Government Scheme by giving all such orders a statutory basis and thus taking away from them their purely executive character

With these modifications, the scheme outlined in the Committee's report - paragraphs 49 to 53 - is sanctioned

DISTRICT BOARDS.

gement of their functions

The Local Self-Government Committee recommend that besides the functions assigned at present to the rural boards, the control of Primary Education, Medical relief and Veterinary Dispensaries and Muzrai institutions may be handed over to them. As already decided with regard to Municipal Councils, there is no objection to hand over the control of primary education, medical relief including veterinary dispensaries which are included in their statutory functions. As in the case of Municipal Councils, some minor muzrai institutions may be placed under the control of the local boards.

Under clause J of section 7 of the Local Boards Regulation, the District Board may take up any other local works or measures likely to promote the health, comfort, convenience and welfare ~~of~~ the public. ~~But perhaps~~ owing to paucity of funds very little work outside the usual functions assigned to them appears to have been taken up by District Boards so far In England and other Countries, the tendency is to develop the district councils so that their activities should not be circumscribed but should range over all matters calculated to promote the welfare of the public. The ideal that Government wish

to keep in view is to develop the District Boards gradually into real District Councils. But for the present Government consider that in matters which do not ordinarily come within their functions, such as local questions connected with the general administration of the District, the District or the Taluk Boards may be authorised to pass and submit resolutions for the consideration of Government, under rules to be framed in this behalf.

Finance of the strict Board.

The Local Finance Committee have dealt exhaustively with the question of the finances of the rural boards. The outstanding feature of their financial situation is the want of elasticity of revenue and the consequent difficulty to meet the growing demand for increased expenditure on the services already undertaken or to undertake fresh services. It is stated by the Committee that fresh sources of income cannot be easily devised and that grants-in-aid from Government are necessary to enable the boards to discharge their allotted functions satisfactorily Their recommendations may be thus summarised -

I (a) The Local Fund General may be abolished, the services now performed by it being distributed between District Funds and Government according to their character.

(b) The Village School Fund may be similarly abolished and primary and

vernacular education in rural areas transferred to District Funds.

(c) The District Fund in each District may take up all the functions that are suitable for local bodies, including primary education the entire cess and other receipts of the Local Fund General and Village School Fund being transferred to it.

II. To enable District Boards to discharge all their functions, 23 lakhs are required at present for which a cash grant-in-aid of 7 lakhs should be given by Government and in addition, the whole of the Mohatarfa now credited to General Revenue amounting to about 3 lakhs should also be transferred to it

The net result of their proposals for the reorganization of the existing funds will be as shown below -

RECEIPTS

	Rs.
Average receipts under District Funds for 3 years ending -	8,52,930.
--do-- under L.F General to be added to District Funds -	1,99,468.
--do-- under Mohatarfa to be assigned.	2,69,387
	13,21,785
Add V S Fund	2,76,900
	15,98,685

Exclusive of the V S. Fund the receipts for the District Fund will thus be increased by about 50 per cent if the Committee's proposals are sanctioned

Government approve of the recommendations of the Committee as regards the abolition of the Local Fund General. Whatever may have been the reasons for constituting it originally as a distinct fund, the paucity of funds in the hands of local bodies leaves little justification for appropriating a part of the local cess for meeting the cost of services which are distinctly provincial in character.

The assignment of the Mohatarfa to local bodies which is recommended by the Committee involves a sacrifice of general revenues to the extent of Rs.2,69,000 In view, however, of the great need for increased funds for the District Boards and for stimulating their activities, Government accept this recommendation

The question of the Village School Fund stands on a different footing. It does not appear desirable to merge this fund which is devoted to the promotion of primary education in rural areas into the general balance of the District Boards Government have accepted the recommendation of the Local Self-Government Committee that the control of primary education should be gradually transferred to Local Boards When this recommendation is fully given effect to, the Village School Fund will be practically transferred to the local bodies Till then, the existing state of things may continue as regards the Village School Fund.

In addition to the assignment of the Local Fund General and the Mohatarfa, the Local Finance Committee have recommended that a lump sum grant estimated at about Rs.7 lakhs should be given by Government to the Local Boards. It is understood that the Committee intended this grant-in-aid should be given gradually so that the Local Boards may be in a position to discharge their functions much more efficiently than they are doing now Government consider that the consideration of this question be postponed till the Boards make serious efforts to increase their revenue. By the assignment of the Local Fund General and Mohatarfa, an addition of about 50 per cent has been made to their income and no further financial help can be given by Government at this stage. It is however open to any District Board to approach Government for grants in aid equal to any additional revenue they are able to raise. So far as the finances of the existing Unions are concerned it has been repeatedly pointed out that they have no separate entity and no definite responsibility The Amildar being President of more than one Union in a Taluk he looks after them in a general way and each village does not secure its due share of attention Expenditure of the funds of one Union on works of others has often created grave discontent and opposition

The Village Improvement Committees working in different parts of the State now may with advantage be brought under statutory basis and under the supervision of the Taluk Board concerned.

For the development of local Self-Government in rural areas, Government are therefore of opinion that the Scheme in progress should be legalized and combined with Local Boards administration and brought under the Regulation. All village organizations, whether in the shape of Unions or Village Improvement Committees should be designated Punchayets with three distinct functions:

1. Ordinary maintenance work.
2. Improvement work, as specified in the Village Improvement Scheme.
3. All other communal work, e.g., Education, Irrigation, grazing, village forests, village judicial work, etc.

A set of rules and provisions constituting these bodies will now be incorporated in the Local Boards Regulation.

The Village fund constituted with local taxation and revenues assigned by the Government or District or Taluk Boards should be administered by the Punchayet. All such organizations should ordinarily be self-supporting and a simple set of accounts should be prescribed for them.

5 - Power of local authorities

Provision for local improvements and developments.

In addition to these measures Govt consider it desirable that District and Taluk Boards should have power to obtain loans in the open market for the purpose of undertaking or financing important projects for improvements and developments in the areas concerned. District Boards can now borrow under the Regulation (vide section) subject to the sanction of Government. Taluk Boards which will be incorporated bodies under the proposed scheme may also be expressly empowered by legislation to borrow, with the approval of the District Board and subject to the sanction of Government.

In order to guarantee re-payment of such a loan or in order to accumulate funds for specific useful purposes ~~either~~ below, the District Boards and Taluk Boards may be empowered to levy a cess within their respective jurisdictions ~~either by an increase in the existing rate of local cess or a separate one with a different incidence.~~ The levy of such a special cess should be agreed to by ¾ majority of all the non-official members of the Taluk Board or District Board at a special meeting for the purpose and should be approved of by Govt.

The purposes for which such a loan or cess may be raised are those mentioned in section 7 of the Local Boards Regulation ~~with some additions as noted below~~ -

(a) The construction, repair and maintenance of public roads and other means of communication,

(b) the planting and preservation of trees on the sides of roads and on other public grounds,

(c) the establishment, management, maintenance and visiting of schools, hospitals, dispensaries, markets, travellers' bungalows, musafarkhanas, rest-houses, and other public institutions and the construction and repair of all buildings connected with these institutions,

(d) the construction and repair of public wells, irrigation tanks and water works, the supply of water from them and from other sources and the preservation from pollution of water for drinking and cooking purposes,

(e) the establishment and maintenance of such relief works in time of famine or scarcity as may be entrusted to the charge of the Distt Board by the Government,

(f) the establishment and management of cattle pounds, including such functions of the Government and the Magistrate of the District under the Cattle ~~Trespass~~ Trespass Act, 1871, as amended by Regulation ~~of~~ VIII of 1892, as may be transferred to the District Board

Board by the Government,

(g) the management of such public ferries as may be entrusted to its charge,

(h) the institution, holding and management of agricultural shows and industrial exhibitions,

(i) the maintenance of any building or other property which is vested under this Regulation in the District Board or may be placed by the Govt under the management of that Board, &

(j) any other local works or measures likely to promote the health, comfort, convenience, interest or welfare of the public.

To these objects may be added the agricultural and economic improvement of the respective areas. At the end of clause J of section 7, the following words may be added, viz.,

"or the agricultural and economic improvement of the area concerned."

The Boards concerned may either undertake such special improvement works themselves or encourage private enterprises to start such works by advancing loans to individuals, supplying machinery etc., by hire-purchase system. These transactions should be kept distinct from the general finances of the Boards and a yearly profit and loss statement should be made out

for them and included in their respective budgets.

NEW FEATURES.

1. Municipal and District Board establishment

To be revised as discussed in Council

Creation of a staff of 25 Provincial men trained in Municipal and District Board work, executive, financial, engineering and efficiency audit - to be lent to the bodies by Government whenever necessary.

2. Co-ordination of work under Local Self-Government with a view to systematize and co-ordinate all work under the Local Self-Government scheme.

To be deleted for the present

A Local Self-Government Board may, with advantage be constituted with one high officer of Government as Commissioner and 3 officials and 2 non-officials as members, to keep in touch with the administration of these bodies and to advise Government every year as to progress The functions of this body will be purely advisory. The constitution of this Board will be duly notified by Government.

CONCLUSION.

All the important points dealt with in the reports of the Committees and the Conference have now been discussed. It will be observed that considerable increase of powers and functions of the local bodies has been sanctioned and it rests with the local authorities to exercise these powers with due caution and in the best interests of the areas committed to their charge. Government also desire to state that with a view to safeguard the efficiency of local administration they will not be slow in cases of proved incompetence or default by local bodies to withdraw the powers granted in any particular case and to use the powers vested in them by law to ensure performance of the duties entrusted to local bodies. For some time local government be preferred to [illegible] local body - by [illegible] Executive - [illegible] appear to work under such [illegible] local bodies - [illegible] [illegible] [illegible]

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Submitted to His Highness.

for approval

I submit herewith a draft Government order on the scheme for the development of Local Self-Government in Mysore.

2. The question of reforms in local self-Governme has been receiving the continuous attention of Government for nearly three years. In the month of February 1914, a Committee was constituted with Mr.M Kantaraj Urs C.S.I., as Chairman, to examine the question. In May 1914 another committee was formed on the Economic Conference side to deal with the reorganization of the finances of local bodies. The reports of these two committees were ready and were placed before the public in the months of May and June 1915, respectively Their recommendations were also fully discussed in the Local Boards Conference held in Mysore in June 1915.

3 Government are thus in possession of a large amount of literature as well as of the views of the public on this important subject. But many of the recommendations required careful consideration before they could be dealt with by Government With a view to elicit public opinion, I foreshadowed, with the concurrence of the Members of Council and the sanction of His Highness, in my Address to the Representative Assembly in 1915, the tentative conclusions of Government on some of the proposals on which there was unanimity of opinion The points which required further elucidation were reserved for separate consideration

4 When the present Second Member of Council (Mr A.R Banerji, C.I E) who has had experience of the working of Local bodies in British India assumed charge, the

papers were given to him for study and he has drawn up two exhaustive notes dealing with Municipalities and Rural Boards, respectively. The subject was discussed in Council in detail and the draft order now put up embodies the general conclusions with which the Members concur.

5. The question of constituting a central authority, with an advisory board to watch the working of local bodies under the new scheme and to co-ordinate their activities, was also discussed, but the Council were of opinion that this might be postponed for a year till some experience was gained of the working of the scheme.

6. There has been some delay in dealing with this important question, but on account of the large number of issues raised and the complexity of the problem, it was not possible to arrive, earlier, at a solution which would give general satisfaction. The delay, however, has enabled the Government to go into the subject very thoroughly.

7. The draft order accepts in the main the recommendations of the two committees referred to above with some modifications. It lays down only the general lines of policy in regard to local self-government. The Regulations have to be amended and revised rules framed before the scheme is placed on a working basis. This work will be undertaken as soon as His Highness' approval is received. All further necessary action will be taken without delay so that, if possible, the scheme may be ready by the beginning of March 1917.

I wish to add that Mr. S.P.Rajagopalachari, Under Secretary with the Dewan, has evinced much interest in the subject and helped me to develop the proposals to their present stage.

8. With these observations, I solicit His Highness' gracious approval to the issue of the draft order.

11th Mar. 1916 M. Visvesvaraya

Record of Cases submitted for the Orders of His Highness the Maharaja

No. 5252
11.11.16

Subject

Draft Government Order on the scheme for the development of Local Self-Government in Mysore

Order

KRW
13/11/16

Urgent form. Now
and the confusion, please
see my draft and note
Q 4 9 - Matter is very
unclear and confusing
as it was up. Please also
see my note of 4 10.
Have somewhere ready
to bring up this matter
before after actual
working of the new
scheme for
12 months 4/11/16

436
15 11 16

Submitted to 2nd Member
May the order issue?
14/11/16

Yes. Very please
draft a complete G.O.
with all consequential
steps which Government
will issue in regard
to the
draft G.O.

Please get a
list prepared of the
G.O.s issued
since the last
16/11

To the 2nd Member of Council
with compliments for perusal of Colony
and necessary action & report to early
16 11 16

As proposals of action to be taken
may be considered at a meeting of Council
the question raised in para 5 calls
for further elaboration.

G R S 12]

General and Revenue Secretariat

Club File No. 132 of 1916

Minute	Serial No.	
		(1) Minutes and the draft G.O. for permission to hold public concerts by municipal [illegible]
		(2) Put up a comprehensive note of concessions shops to be in time on the matter
		[illegible] 16/11/16

NOTE—Contn sheet

Pts—7500—17 12-15

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Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

G. O. No. 3005-08 / ML 132-16-1, dated 16-11- 1916

Local Self-Government in Mysore

~~Passing orders on~~

~~order on~~ The Scheme for the development of ~~Local Self-Government in Mysore~~

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Passing orders on the Scheme for the development of Local Self-Government in Mysore.

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[redacted]—

G O No 3005-55 / M1 132-161, DATED 16th Nov 1916

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

GENERAL AND REVENUE DEPARTMENTS

G O No 3005-55/ML 132-161 dated 16th Nov 1916

PRELIMINARY

Brief History of Local Self Government in Mysore — The first step in creating local bodies for the control of local affairs was taken in the State in the year 1862 when Municipal Committees were experimentally constituted for the cities of Bangalore and Mysore The measure having proved a success, similar Committees were formed for the remaining district head quarter towns and gradually for other towns also By 1872 73, there were fifty eight municipalities serving the needs of an urban population of nearly 5,00,000 with an annual income of Rs 3½ lakhs The next step was the constitution in 1874 of District Committees in rural areas for the administration of local funds levied within the district, to provide for works and undertakings, such as roads, wells and other sources of water supply hospitals, *dharmasalas*, markets, etc These Committees were constituted and worked under the executive orders of Government, except in the case of Bangalore and Mysore cities The need for placing the working of these bodies on a statutory and definite basis was indeed felt very early, but practical action was taken only after the institutions had been working for well nigh half a century The Local Boards Regulation came into force in 1902 and the Municipal Regulation in 1906

2 *Reasons for a forward step* —The question of enhancing the usefulness of these bodies for improving local administration has engaged the attention of the public and been pressed on the notice of Government for some time past In a letter to the Government of India, His Highness Government wrote in 1885 "In working these Committees it has been found difficult to awaken in the minds of the non official members most interested in the administration of local funds, a full sense of their powers and duties and the whole administration of the funds has practically fallen into the hands of Government officers This is chiefly owing to the preponderance of the official members and to the undefined and almost unlimited subordination of the Committees to Government officials in the administration of the funds These remarks would apply with equal force at present, especially with regard to District and Taluk Boards and minor municipalities in spite of the advance in education and enlightenment in recent years There is reason to believe that the apathy displayed by the non official members of the local bodies is attributable to a great extent to—

(1) the deficiency of the elected popular element

(2) the want of reasonable powers of disposal over their funds and

(3) interference in details exercised by departments of Government over the affairs of local bodies

Government therefore consider that the time has come to review the progress made and to take such forward steps as may be necessary in order to associate the people more largely with the administration of local affairs

3 In February 1914, a Committee was constituted with Rajasevadhurina Mr M Kantaraja Urs, C S I, as Chairman and the marginally named gentlemen as members, to consider what improvements were necessary in the constitution and functions of local bodies In accordance with G O No G 9260 3—G M 67 13 264, dated 15th May 1914, another Committee was formed under the chairmanship of Rajamantrapravina Dewan Bahadur Mr C Srinivasa Iyengar, with the gentlemen whose names are noted in the margin as members, to investigate the scope of operation and financial organisation of the several local funds and to propose measures for their revision and for placing local finances on a satisfactory footing The reports of the two Committees which were published respectively, in May and June 1915, contain a full discussion of these subjects The thanks of Government are due to the members of the two Committees for the careful and satisfactory manner in which they went into the questions and for the valuable reports submitted by them

Mr K P Puttanna Chetty
P Raghavendra Rao
K. Chandy
P G D Souza.
B Srinivasiengar
" H Ramaiya.
" M C Ranga Iyengar
A Ramanna
D Venkataramaiya
C Seshadri Iyengar
C Subba Rao
B Narasinga Rao
K Shankaranarayana Rao
A V Ramanathan (Secretary)

Mr K P Puttanna Chetty
" A Rangaswami Iyengar
J S Chakravarti
E R Subbaroyer
D Venkataramaiya
C S Dorasami Iyer
N S Subba Rao
S R Balakrishna Rao
S Shamanna (Secretary)

In June 1915, on the initiative of certain leading non-official gentlemen, a Local Boards Conference, presided over by Rajasabhabhusana Dewan Bahadur Mr K P Puttanna Chetty, was convened to discuss the whole question of reforms in local self-government This Conference, on which nearly all the local bodies in the State were represented, considered the recommendations of the two Committees referred to above and placed Government in possession of the views of the public on all the important questions involved

The specific recommendations made by them will now be discussed and the decision of Government as to the practical action to be taken on each will be indicated

MUNICIPALITIES

4 *Classes of Municipalities* —Taking municipalities first, there are two classes of municipalities at present, *viz*, those governed by the Municipal Regulation of 1906 and those governed by executive orders The number of such municipalities at the end of 1914-15, as compared with that in 1906-07 is given in the accompanying table together with particulars of income,

Statement showing the number of Municipalities classified according to their income

Serial Nos	District	Under Rs 1 000		Rs 1 000 to Rs 1 500		Rs 1 500 to Rs 2,000		Rs 2 000 to Rs 3 000		Rs 3 000 to Rs 4 000		Rs 4 000 to Rs 5 000		Rs 5 000 to Rs 10 000		Rs 10 000 to Rs 15 000		Rs 15 000 to Rs 20 000		Over Rs 20 000		Total		Number of Regulation Municipalities		Number of Non Regulation Municipalities		Remarks
		1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914 15	1906-07	1914 15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914 15	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
1	Bangalore			1		1	1	3	5	3	4	3	1	1	1					1	1	13	13	1	6	12	7	
2	Kolar	2	1		1	3	1		2	1			2	3	1	2	2				1	11	11		6	11	5	
3	Tumkur	1			2	2	1	1		3	2	1	3	1	1	1					1	10	10		2	10	8	
4	Mysore	2	1		2	4	2	4	7	4	1	1	1	1	4	2				1	2	19	20	1	11	18	9	
5	Hassan							2		4	3		1	1	3	1	1					8	8		2	8	6	
6	Shimoga	1			3	1		5	2	1	1			1	3					1	1	10	10		2	10	8	
7	Kadur					3	2		1	2			1	1	2	1	1	1			1	8	8		4	8	4	
8	Chitaldrug					4		2	1		4	1		1	2		1	1			1	9	9		3	9	6	
	Total	6	2	1	8	18	7	17	18	18	15	6	9	10	17	7	5	2		3	8	86	89	2	36	86	53	

The table shows that though the number of regulation municipalities has increased during the period, there are still a large number of municipalities administered under executive orders

5 The Local Self-Government Committee suggest that three classes of municipalities may be recognised in the State, viz., city, town and minor municipalities According to them, the existing non-regulation municipalities should not be disestablished but should be brought under the Regulation as minor municipalities, the more complex provisions of the Regulation being declared inapplicable to them Government accept these views which are endorsed by the Conference, with the modification that the limits of population for town and minor municipalities will be 5,000 and 2,000, instead of 7,000 and 2,500, respectively, proposed by the Committee As a result of fixing this limit, many towns which have municipalities now—regulation and non-regulation—may be deprived of the privilege of municipal self-government, but Government reserve to themselves the right to extend the Municipal Regulation to such of them as by past experience have become entitled to retain the privilege On the other hand, as some towns containing the prescribed population may not yet be ripe for municipal administration, Government will introduce in the Regulation an enabling provision so that the rule may not act automatically in every case

It is observed that beyond recommending this classification, the Committee offer no detailed suggestions as regards the varying powers to be given to, and degrees of control to be exercised over, the different classes of municipalities Government are of opinion that a greater degree of control would be necessary, at least for some time to come, in the case of minor municipalities, where there may be little or no public spirit

6 *Constitution*—As regards the constitution of municipal councils, Government accept the recommendation of the Conference that the number of elected councillors should be not less than two thirds of the total strength in city municipalities, half in town and one-third in minor municipalities But in respect of the two latter they reserve discretion to increase the number of elective seats in special cases

7 *Chairmen*—The Municipal Regulation, as it stands, provides for the election of both President and Vice-President, if Government so direct, but till recently, these officers have been generally nominated officials Government are prepared to accept, as a general policy and so far as conditions allow, the principle recommended by the Local Boards Conference, of the election of Presidents and Vice Presidents in city and town municipal councils They also consider that in city municipalities the alternative of a full time paid President who may not necessarily be an official should be provided for in the Regulation In minor municipalities, unless competent men are available, the President will continue to be nominated by Government, the Vice President being, where possible, elected by the municipal council

8 *Chief Executive Officers*—It is likely that elected Presidents and Vice Presidents will ordinarily be busy professional men who cannot devote their full time to superintend the details of municipal work Moreover, frequent change of the executive head is detrimental to continuity of policy and administrative efficiency Hence it is necessary that municipal councils should employ paid permanent men, so far as their funds permit, to attend to the routine executive work under the control of, and in subordination to, the Presidents and Vice Presidents The Municipal Regulation contains a provision for the appointment of Chief Officer in city municipal councils for this purpose This provision may be extended to town municipal councils also with necessary modifications, and an official of suitable rank may be appointed for the corresponding duties in minor municipalities if there is sufficient work for him

9 *Enlarged powers*—The Committee point out that while the Regulation invests municipal councils with very wide and comprehensive powers, the actual control exercised by Government is very large It has been recognised everywhere that a certain amount of outside control is very necessary and is not incompatible with local self government But such control should be limited to broad questions of policy In accordance with this view, Government increase the powers now exercised by the municipal councils as indicated below —

According to the Municipal Regulation the budget of every municipal council should be submitted through the Deputy Commissioner to Government who may sanction it with such modifications as they deem fit It has been frequently

represented that advantage is taken of this large and comprehensive provision for exercising very minute interference in details Government agree that there is much force in this view They consider that only the budgets of city and town municipalities should come up to them for sanction and that it would be sufficient if the budgets of minor municipalities are scrutinised and sanctioned by the Deputy Commissioners Ordinarily, the scrutiny of the Government or the Deputy Commissioner, as the case may be, will be limited to the following points —

(*a*) Whether the budgetted receipts are framed with due regard to the actuals of the previous years

(*b*) Whether the prescribed closing balance is maintained

(*c*) Whether due provision has been made for the repayment of loans, if any, due to Government or to others, and for contributions for services rendered by Government departments

(*d*) Whether there is any extravagant expenditure on establishments (Section 177 of the Municipal Regulation)

(*e*) Whether all the standing orders and rules framed by Government are duly observed

The interference of the sanctioning authority in other matters should be as limited as possible The municipal councils will also be given the power to make reappropriations of budget grants both under major and minor heads, and to sanction additional grants without trenching on the prescribed minimum balance except for the purpose of increasing expenditure under establishment

As against these enlarged powers, Government reserve to themselves the right of making a half-yearly local audit of municipal accounts and for this purpose a certain percentage of establishment charges incurred will be debited to the municipal councils concerned The Deputy Commissioners will be authorised to review all municipal administration reports except those of the city municipalities.

10 *Increased Scope of Work* —The Local Self-Government Committee and the Conference recommend that the administrative control of elementary education, medical relief including vaccination and *muzrai* institutions be vested tentatively under proper safeguards, in selected municipal councils Government have no objection to try as an experimental measure the system of gradually transferring the control of elementary education and medical relief to municipal councils When the municipal councils concerned make definite proposals in this behalf, they will receive favourable consideration As regards *muzrai* institutions, Government are not in favour of the transfer of all of them to the control of municipal bodies, as circumstances permit Minor institutions may be so transferred, but in the case of major institutions, the better course appears to be to vest them in committees of their respective devotees as contemplated in the Muzrai Regulation

11 *Municipal Resources and Taxation* —The income of 89 Municipalities at the end of 1914-15 amounted to Rs 10,79,916 About 32 8 per cent of this was from octroi House tax and mohatarfa contributed 21 1 and 8 8 per cent, respectively The expenditure of the same year was Rs 11,98,328 The incidence of taxation per head of population was about Rs 1 8 8

12 The Local Finance Committee have no suggestions to make as regards fresh sources of income and their recommendations are confined only to the readjustment of the shop tax and octroi They suggest that (1) octroi may be abolished and replaced by terminal taxes on goods in municipalities situated on railway lines and (2) that, in lieu of the *mohatarfa* shop tax, profession taxes on the same scale as in Madras might be levied They also recommend the enhancement of the house tax There are no data at present available to show how far the adoption of these recommendations will result in any appreciable increase of revenue In their order dated 26th March 1912, Government have laid down their policy with respect to the abolition of octroi and it does not seem possible to go further at present They, however, consider that there is great scope for augmenting the revenue of municipalities by better and more systematic enforcement of the [illegible] on taxation and by proper collection of their current demands The [illegible] house tax is in many instances unduly low and no systematic action is taken [illegible] the classification of houses and buildings with reference to their

market value From the latest administration report it is seen that only 87 per cent of the current demand and 38 per cent of the arrears of previous years were collected Government would urge on all the Municipal Councils the importance of obtaining the maximum income under the present rules and of taking every opportunity of increasing their resources Each Municipality may submit to Government definite recommendations suited to local conditions for any modification of the existing system of municipal taxation, *e g*, abolition of octroi and replacement of any of the taxes by others suggested by the Committee on local finance Government are in agreement with the view of this Committee that the income of municipalities should be derived from a few direct sources which can be easily and economically collected and accounted for, and that their expenditure should be limited to those services which secure the greatest benefit without a disproportionate outlay on general or supervising establishments

13 The Local Finance Committee also recommend that municipal councils be empowered to raise loans from the public for productive works Legislative action to give effect to this has already been taken and it is for the municipal councils themselves to submit definite proposals to Government As regards the question of grants in-aid they are being sanctioned in the case of municipalities for useful works such as sanitation, water-works, drainage, etc, involving heavy outlay As far as funds are available, Government are prepared, as a general rule, to grant half the capital cost for schemes duly approved by Government, provided the municipal council satisfies Government of its ability to raise the other half and to meet the annual maintenance charges In places where exceptional difficulties exist in this respect, there will be no objection to give special aid as occasions may arise, for water-supply and other large and urgent schemes of public improvement

14 To carry out the above scheme for the development of local self-government in municipal areas, the Municipal Regulation will have to be amended, detailed rules framed in regard to the various matters dealt with above, and most of the non-regulation municipalities will have to be re-constituted on a statutory basis A draft Regulation and rules embodying all the changes will be circulated to all regulation municipalities for their views and suggestions

LOCAL BOARDS

15 *Proposals of the Local Self Government Committee* —With regard to the Local Boards in rural areas, the Local Self-Government Committee supported by the Conference have made certain far-reaching proposals calculated to raise the importance and powers of Taluk Boards and Unions Under the existing Local Boards Regulation, the Taluk Boards and Unions are merely the agents of the District Board with authority to discharge such duties and functions as may be delegated to them by the latter As no such delegation has been made, they are merely consultative assemblies and have not hitherto served any very useful purpose in rural boards administration

The Committee have recorded the opinion that the Mysore Local Boards Regulation is illiberal in the conferring of powers on Local Boards the Taluk Boards have been wholly inactive, the *personnel* of the Taluk Boards has been unsatisfactory, the funds at the disposal of Local Boards are inadequate and, that the system saps the very spirit of local self-government and should be abolished wholesale It is complained that a large portion of district funds is now spent through the Public Works Department, that the Local Boards are fettered by many restrictions by Government and that there is undue centralization A large number of recommendations have been made by the Committee for the re-organisation of Local Boards The scheme suggested by the Committee is briefly to constitute Taluk Boards as incorporated bodies, having their own independent funds with authority to frame their own budgets, and exercising all the functions of the District Boards within the limits of their jurisdiction It is also proposed to raise the status of Unions and make them more independent

The Committee have, in paragraphs 49 to 53 of their report, submitted a detailed working scheme to give effect to their recommendation, defining the specific powers which they wish to see allotted to Unions, Taluk Boards and District Boards

16 *Modifications of the proposals* —Government accept the general principles on which the Committee's scheme is based, but would modify the scheme on a few essential points

(1) First as regards constitution, it is desirable that there should be an elected majority in all rural boards, and that the proportion of the elected element should be, not less than two thirds in District Boards and half in the case of Taluk Boards The rules regarding elections will be revised so as to empower graduates, advocates and pleaders to vote at, and stand for, election As a rule, either the President or the Vice-President of a rural board should be elected ~~Under present conditions, it may not be possible to have elected Presidents and Vice-Presidents, either on account of the large number of local authorities, but if necessary~~

Under present conditions, it will not be possible to have elected Presidents in the case of the majority of the Boards, but in all such cases, the Vice-Presidents may, as far as possible, be elected. A carriage allowance may be granted to them if necessary.

(2) It is proposed by the Committee that the area of the Taluk Boards should be, not the recognised unit of the taluk but the revenue sub division which consists of one or more revenue taluks Government consider that the balance of advantage lies in favour of having the taluk as the unit, and accordingly direct that the existing provision under which each taluk has a board of its own may be adhered to, but its powers be enlarged as recommended by the Committee

(3) The definition of the spheres of work between the Taluk and the District Boards outlined by the Committee ~~in Appendix R~~ would suggest that the District Boards would be merely supervising bodies with no distinct functions of their own It is very necessary that the vitality of the District Boards should not be sapped by leaving them practically nothing to do The proper course appears to be that the District Boards should take up under their own control those functions and services which require a co ordinated organization throughout the district and delegate to the Taluk Boards such functions as could be more or less localised For instance, the Taluk Boards may be given the control of markets, slaughter-houses, travellers' bungalows and *musafirkhanas*, planting and care of avenue trees on roads in their control, cattle pounds, etc, while the District Boards may retain the construction and maintenance of roads, which pass through a large portion of the district, construction of large public works, maintenance of relief works, whenever necessary, management of ferries, etc The actual distribution of functions in each district will have to depend upon local circumstances and each District Board may submit proposals in this connection to the Government for sanction. The allotment of funds will, under this suggestion, follow the duties assigned to each Board, but it may be laid down as a statutory rule, that not less than one half the proceeds of the local cess in each taluk shall be placed at the disposal of the Taluk Board concerned

(4) One important suggestion made by the Committee is about the employment of a separate engineering establishment by local bodies to carry out public works instead of entrusting them to the State Public Works Department as at present The proposal will involve a redistribution of charges in the Public Works Department but Government will be prepared to consider any proposal for the transfer of District Fund works to the Local Boards concerned, wherever the latter are ready to take over such works

(5) The Committee have left the question of village organisation out of consideration in their scheme But a system of local self government will be incomplete unless every village in the State is also brought under some form of statutory organisation Under the existing system, unions are constituted under the Local Boards Regulation in a few villages and the remainder are not properly looked after It is necessary to introduce some definite organisation into a larger number of villages For this purpose it is proposed to place the Village Improvement Committees already working in the State on a statutory basis under the supervision of the Taluk Boards concerned, as herein after explained

17 Under the scheme suggested, the existing system of Union administration will be abolished and power will be taken to constitute Village Committees for all the villages in the State These Committees will be designated "Village Panchayets" [illegible] number of members will not be less than three nor more than [illegible] members will be elected and they will have an elected President, [illegible] in Patel or the Shanbhog of the village

The Panchayets will have three distinct functions as under —

i Ordinary duties connected with the maintenance of roads, sanitation, water-supply, drainage, etc

ii Improvement work, as specified in the Village Improvement Scheme

iii All other communal work connected with education, irrigation, pasture lands, village forests, village courts, etc

Provision will be made in the Regulation to enable Government to extend the functions of the Panchayets, as circumstances permit, in selected villages, with regard to the supervision and control of village education, and other communal interests as provided in Clause (iii)

As regards finances, the income from local taxation in the village and other sources, such as, grants from Government or District or Taluk Boards will be constituted into a Village Fund which should be administered by the Panchayets They will have their own budgets, their own establishment and will be vested with powers to raise an additional cess when necessary, subject to such conditions as may be laid down in this behalf Generally, they should be self-supporting and a set of simple accounts will be prescribed for their use

The effect of these proposals will be to co ordinate and systematise all the various orders issued by Government for the improvement of rural areas and bring these areas under the Local Self-Government scheme

The necessary provisions giving effect to these changes will be incorporated in the Local Boards Regulation

18 *Enlargement of the Functions of District and Taluk Boards* —The Local Self-Government Committee recommend that, besides the functions assigned at present to the rural boards, the control of primary education, medical relief, veterinary dispensaries and *muzrai* institutions may be handed over to them As already decided with regard to municipal councils, there is no objection to hand over the control of primary education, medical relief and the care of veterinary dispensaries to the District and Taluk Boards As in the case of Municipal Councils, some minor *muzrai* institutions may also be placed under the control of the Local Boards

Under clause J of section 7 of the Local Boards Regulation, the District Board may take up any other local works or measures likely to promote the health, comfort, convenience and welfare of the public Owing to paucity of funds, very little work outside the usual functions assigned to them appears to have been taken up by the District Boards so far In England and other countries, the tendency is to develop the District Councils so that their activities may range over all matters calculated to promote the welfare of the public The ideal that Government desire to keep in view is to develop the District Boards gradually into real District Councils But, for the present, Government consider that in matters which do not ordinarily come within their functions, such as local questions connected with the general administration of the district, the District and the Taluk Boards may be authorised to pass and submit resolutions for the consideration of Government, under rules to be framed in this behalf

19 *The Finances of the District and Taluk Boards* —The Local Finance Committee have dealt exhaustively with the question of the finances of the rural boards The outstanding feature of their financial situation is the want of elasticity of revenue and the consequent difficulty to meet the growing demand for increased expenditure on the services already undertaken or to undertake fresh services It is stated by the Committee that fresh sources of income cannot be easily devised and that grants-in aid from Government are necessary to enable the Boards to discharge their allotted functions satisfactorily Their recommendations may be thus summarised —

(i) (*a*) The Local Fund General may be abolished, the services now maintained by it being distributed between District Funds and Government according to their character

(*b*) The Village School Fund may be similarly abolished and primary and vernacular education in rural areas transferred to District Boards

(*c*) The District Board in each district may take up all the functions that are suitable for local bodies, including primary education, the entire cess and other

receipts of the Local Fund General and Village School Fund being transferred to that body

(ii) To enable District Boards to discharge all their functions, a sum of Rs 23 lakhs is estimated to be necessary Towards this, a Government grant in aid of Rs 7 lakhs is suggested in addition to the transfer of the whole of the *mohatarfa* now credited to general revenues amounting to about Rs 3 lakhs

The net result of their proposals for the reorganization of the existing funds will be as shown below —

RECEIPTS

	Rs
Average receipts under District Funds for three years ending 1914 15	8 95 122
Average receipts under Local Fund General for the same period	2 13 447
Average receipts under *mohatrafa* for the same period	2 63 486
	13 72 055
Add Village School Fund—average for the same period	2 38 519
	16 10 574

Exclusive of the Village School Fund, the receipts for the District Fund will thus be increased by over 50 per cent if the Committee's proposals are sanctioned

20 Government approve of the recommendations of the Committee as regards the abolition of the Local Fund General and the transfer of the charges now debited to that Fund to Government Whatever may have been the reasons for constituting it originally as a distinct fund, the paucity of funds in the hands of local bodies leaves little justification for appropriating a part of the local cess for meeting the cost of services which are provincial in character

21 The assignment of the *mohatarfa* to local bodies which is recommended by the Committee involves a sacrifice of general revenues to the extent of Rs 2,63,000 In view, however, of the great need for increased funds for the District Boards and for stimulating their activities, Government accept this recommendation

22 The question of the Village School Fund stands on a different footing It does not appear desirable to merge this fund which is devoted to the promotion of primary education in rural areas into the general balances of the District Boards Government have accepted the recommendation of the Local Self-Government Committee that the control of primary education should be gradually transferred to Local Boards When this recommendation is fully given effect to, the Village School Fund will be practically transferred to the local bodies Till then, separate accounts will continue to be maintained for the fund

23 In addition to the assignment of the Local Fund General and the *mohatarfa* the Local Finance Committee have recommended that a lump sum grant estimated at about Rs 7 lakhs should be given by Government to the Local Boards It is understood that the Committee intended that this grant-in aid should be given gradually Government, however, are of opinion that the consideration of this question may be postponed till the Boards show some capacity for self help and make serious efforts to increase their revenues By the assignment of the Local Fund General and *mohatarfa*, an addition of over 50 per cent as already stated, has been made to their income and no further financial help can be given by Government at this stage It is, however, open to any District Board to approach Government for grants in aid equal to any additional revenue they are able to raise

24 *Provision for Local Improvements and other Development Schemes* —In addition to these measures, Government consider it desirable that District and Taluk Boards should have power to raise loans for the purpose of undertaking or financing important improvement and development projects in the areas concerned District Boards can now borrow under the Regulation subject to the sanction of Government Taluk Boards which will be incorporated bodies under the proposed scheme may also be expressly empowered by legislation to borrow subject to the sanction of Government

In order to guarantee re-payment of such loans or to accumulate funds for specific useful purposes, the District and Taluk Boards may be empowered to levy a special cess within their respective jurisdictions The levy of such a special cess should be agreed to by a three fourths majority of all the non-official members of the Taluk Board or District Board, as the case may be, present at a special meeting to be held for the purpose, and should be approved by Government

25 The loans so raised will be utilised for the objects referred to in section 7 of the Local Boards Regulation as well as for the agricultural and economic improvement of the areas concerned, including construction of irrigation works and water supply tanks and canals, special repairs to the same, water supply and drainage works in rural areas, roads and trainways, village extensions, demonstration farms, encouragement of rural industries, etc

Conclusion

26 It will be observed that a considerable increase of powers and functions of the local bodies has been sanctioned and it rests with the local authorities to exercise these powers with due caution and in the best interests of the areas under their control Government desire to state that, with a view to safeguard the efficiency of local administration, they will not ~~hesitate~~ in cases of proved incompetence or default by local bodies to withdraw any of the powers granted and to ensure efficient performance of their duties by the exercise of the authority vested in them by law For some time to come, Government will endeavour, as far as possible, to render assistance to any Municipality or local body by lending them trained executive or engineer officers to work under them Government, however, hope that under the operation of these orders, a spirit of self-help and initiative will grow up which would enable local bodies to train their own staff and provide for all their wants by developing local energy and resources

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16 11 1916
Pass Sanction

To,
The Presidents of Bangalore and Mysore City Municipal Councils
The Deputy Commr of Bdg
The Presidents of Dt Boards
The President, K G. & Lancy Rd
The President of the Krishnapuri Municipal Board through the Deputy Commr, Kadur Dt
The Secretary, Mysore Economic Conference
The Heads of Departments
The Chairman, Local Self Govt Committee
The Chairman, Local Finance Committee of the Mysore Economic Conference
The President, Local Boards and Municipal Conference of 1915
Press table

16 11

THE MYSORE ECONOMIC CONFERENCE.

REPORT OF THE SPECIAL COMMITTEE ON LOCAL FINAN

THE MYSORE ECONOMIC CONFERENCE.

REPORT OF THE SPECIAL COMMITTEE ON LOCAL FINANCE.

The Chairman and Members of the Special Committee

The Secretary, Mysore Economic Conference

Sir,

We, the Chairman and Members of the Special Committee of the Economic Conference have the honor to submit the following report on the matters referred to us for consideration and report

2 In Government Order No G 9260 2—G M 67 13 264, dated 15th May 1914, the gentlemen whose names are noted in the margin were constituted into a Special Committee for considering the following questions and submitting definite recommendations thereon to the Economic Conference —

1 Rajamantrapravina Diwan Bahadur C Sreenivasiengar Esq (Chairman)
2 Rajasabhabhushana Diwan Bahadur K P Puttanna Chetty Esq
3 Rajakaryapravina Rao Bahadur A Rangasami Iyengar Esq B A B L
4 Diwan Bahadur J S Chakravarti Esq M A F R A S etc
5 E R Subroyer Esq B A B C E
6 D Venkataramayya Esq B A
7 C S Dorasami Iyer Esq B A B L
8 N S Subba Rao Esq M A
9 S R Balakrishna Rao Esq B A LL B
10. S Shamanna Esq B A (Secretary)

(1) Investigation of the scope of operation and financial organisation of the several local funds (*viz* Municipal Funds, Local Fund General, Funds of District and Taluk Boards and Unions, the Irrigation Cess Fund, and the Village School Fund),

(2) To suggest measures (*a*) for their revision and (*b*) for placing on a satisfactory financial footing such of the local funds as have to be retained and (*c*) for redistributing their expenditure in fair proportion amongst the several departments of their activities, and

(3) To consider the question of the revision of the mohatarfa taxes and to further consider the following recommendations of the Taxation Committee in this behalf, *viz*,

(*a*) that it is desirable to abolish the mohatarfa shop tax now levied in municipal areas, under the Chief Commissioner's Circular on the owners of buildings and to substitute a professional tax and a license fee in its place without in any way encroaching on the proposed income tax,

(b) that the rate of the mohatarfa house tax in non-municipal areas fixed 60 years ago, is susceptible of enhancement in the case of the better class of houses,

(c) that arrangements be made to prevent the evasion of payment of mohatarfa house tax in rural areas by persons on the score of their being agriculturists, even though they derive considerable incomes from other professions and trades,

(d) that in non-municipal areas on all carts, agricultural or no cultural, a uniform rate of one rupee per cart per annum be levied, and eight annas on all waddar carts, and

(e) that the existing shop tax in non municipal areas may be retained but all shops coming under the income tax rules should be exempted from shop tax —

3 The following matters were subsequently referred to this Committee from time to time by Government for opinion —

(1) The recommendation of the Taxation Committee of the Economic Conference that the oil mill tax may be abolished

(2) Representation No 667 of the Dasara Representative Assembly of 1913 that (a) instead of the present house tax, shop tax should be ordered to be levied in Unions where trade is carried on on a large scale, (b) the proceeds together with the assessment on oil-mills and carts may be added to the revenue of the Unions instead of to Land Revenue, and (c) the collection of house tax in Unions may be reserved for improving roads, sanitation, and education in Unions, and

(3) Correspondence between the Government and the Deputy Commissioner Chitaldrug District, pointing out that the rates of house tax in non regulation municipalities have not been revised since 1870 when they were first fixed experimentally under the Chief Commissioner's Circular

4 All the members served on the Committee throughout, except Mr E R. Subroyer, who, after attending the first meeting, expressed his inability to continue on the Committee, and in whose place Government appointed Mr M N Krishna Rao, Deputy Comptroller, in Government Order No 3608 9—A E & I 167-14-2, dated 29th March 1915

5 From July 1914 to the end of May 1915 we met seven times and discussed, in order, all the subjects referred to us for consideration For facilitating discussion, statements and notes were prepared by our Secretary on the following subjects

(1) A Note on the District Funds, the Local Fund General and the Village School Fund

(2) A Note on Municipal Funds

(3) A Note on Mohatarfa

(4) A statement showing receipts, expenditure and balance of District Funds for 1912 13 if the Village School Fund and the Local Fund General are abolished and items included under them are transferred to General Revenues and District Funds as proposed by the Committee

(5) A statement showing the receipts of the several District and Local Boards in Bengal, Bombay, Madras and Punjab.

A note was also prepared and presented to the Committee by Mr D Venkataramayya on the activities of the State in general

Copies of these are submitted herewith as enclosures

Copies of the proceedings of our meetings are also submitted herewith

6 The following statement shows the number of meetings attended by the several members —

Rajamantrapravina Diwan Bahadur C Sreenivasiengar Esq	6
Rajasabhabhushana Diwan Bahadur K P Puttanna Chetty Esq	7
Rajakaryapravina Rao Bahadur A Rangasami Iyengar Esq B A, B L	3
Diwan Bahadur J S Chakravarti Esq M A F R A S etc	7
E R Subroyer Esq B A B C E	1
M N Krishna Rao, Esq B A	2
C S Dorasami Iyer Esq B A B L	5
S R Balakrishna Rao Esq B A LL B	6
N S Subba Rao Esq M A	2
D Venkataramayya Esq B A	6

The Secretary Mr S Shamanna and Mr A V Ramanathan, Assistant Secretary to Government were present at all the meetings, the latter by special invitation

7 At the very outset we learnt that there was another Committee deliberating over the measures necessary to organise and develop local self-government and we had the advantage of knowing the views of that body on the several points discussed by it as two of us, Messrs K P Puttanna Chetty and D Venkataramayya were members of that Committee and as Mr Ramanathan, its Secretary, was present at all our deliberations We were given to understand that that Committee was confining its attention mainly to questions relating to the constitution, organisation and administration of local bodies leaving to us the consideration of financial matters We have accordingly attempted to confine our deliberations and recommendations, with regard to local funds, as far as possible, to financial matters

On account of the intimate connection between financial and administrative matters we could not entirely help touching on points relating to the administration and organisation of these bodies, as for instance, the extension of the areas of the sub district boards to revenue sub divisions We are, however, glad to state that in all such instances our recommendations are in substantial agreement with those of the other Committee

8 Turning now to the several questions referred to us, we propose to deal first with the supplemental questions mentioned in para 3 above

9 We agree with the proposal of the Taxation Committee, that the tax on oil-mills should be abolished, as it is levied mainly from poor oil mongers and yields a small revenue of only about Rs 10,000 and as no other petty industry similarly circumstanced is taxed

RECOMMENDATION 1
Oil mil tax to be abolished

10 Regarding Subject No 667 of the Dasara Representative Assembly of 1913, the three parts which it consists of and our recommendations thereon are as follows —

1 —Levy of shop tax in Unions

We understand that legislative action has already been taken by Government to provide for the levy of shop tax in Unions, and therefore no recommendation by us is considered necessary

2 —Assigning to Unions the proceeds of the shop tax as also the realisations from carts and oil mills

With the exception of the oil-mill tax the abolition of which has been recommended in para 9 above, we are of opinion that the proceeds from cart tax and all other items of mohatarfa revenue should be transferred to District Funds as suggested in para 39 *infra*

RECOMMENDATION 2
Taxation in Unions

3 —Reserving the proceeds from the house tax in each Union for expenditure within it on roads, sanitation and education

Rule 132 (*f*) of Local Boards Rules already provides for this to a certain extent and is considered sufficient

11 As regards the third subject, *viz*, the revision of the rates of house tax in non regulation municipalities experimentally fixed in 1870, the Committee considers no recommendation is necessary as the question of abolishing the so-called non regulation municipalities and bringing them under the Regulation is recommended by us and also, we understand, is under the consideration of Government

House tax in non regulation municipalities

12 Turning next to the local funds, the most important item referred to us for consideration, our deliberations covered the following funds —

(1) The Irrigation Cess Fund,
(2) The Local Fund General,
(3) The Village School Fund,
(4) Funds of District and Taluk Boards and Unions, and
(5) Municipal Fund

Irrigation Cess Fund

13 We do not consider it necessary to formulate any specific recommendations regarding the Irrigation Cess Fund as we find that since the constitution of this Committee, Government have passed orders in G O No R 2157-68—L R 630-13-4, dated 12th September 1914, in regard to the administration and regulation of this fund after duly considering the recommendations made by a representative Committee appointed for the purpose

14 Descriptive accounts of the organisation and scope of the other four funds, the sources of their income and the purposes for which they are utilised, the agencies administering them and comparisons with corresponding British Indian Funds are found in the notes appended to the report to which reference is invited This report will not therefore touch on these points except very briefly

15 In all countries it has been found impossible for the central Government to attend to all the numerous wants of the community and the necessity for local bodies to look after functions considered suitable for them and styled 'local' has been recognised Municipalities for cities and towns and District Boards with their subordinate agencies of Taluk Boards and Unions for rural parts have been duly constituted for this purpose, in Mysore as in British India But while in British India these bodies attend, generally speaking, to all 'local' functions, there are in our State two more funds, the Local Fund General and the Village School Fund with certain specific functions assigned to them for supplementing the activities of the regular local bodies As will be noticed later, we consider that there should be only one local body in each district and that all the activities which should be undertaken by a local body should be transferred to it

16 The Village School Fund is intended to provide for primary and vernacular education in rural parts, while the Local Fund General supplements the activities of the District Funds in various ways

LOCAL FUND GENERAL

17 The Local Fund General was started in the year 1871 by forming a separate fund from the cess receipts on abkari and was treated as an unfettered fund at the disposal of Government to be utilised by it for the benefit of local bodies mainly in the execution of large bridge works and other public works of local utility Even now it continues to be administered by Government The mainstay of its income is 67 per cent of the cess receipts on excise, forest and other revenues and the chief items of expenditure are as follows —

(1) Public works executed by the Public Works Department consisting generally of large bridge works beyond the capacity of District Boards but considered as of not sufficient importance to be regarded as provincial in character amounting to about 70 000 per annum
(2) Contribution to District Boards for drinking water wells amounting to about 12 000 per annum
(3) Some miscellaneous items such as Industrial Schools Veterinary Hospitals and Dispensaries Dasara Exhibition Indigenous Hospital Mysore and grant in aid to the Pasteur Institute

Defects of the Local Fund General

18 We find the following defects in the organisation and administration of this fund —

(1) It is not managed by a local body as all local funds should be
(2) Some of the items of expenditure are of a provincial and not of a local character
(3) The fund is unable to meet the growing demands on it especially those relating to Industrial and other Special Schools
(4) There is nothing to ensure that the cess receipts from a district will be spent within that district

RECOMMENDATION 3
Abolition of the Local Fund General etc

19 We therefore recommend that —

(1) the Local Fund General as a distinct fund should be abolished
(2) the charges now borne by it should be transferred to Government or the District Boards according to their character
(3) the opening balance at the credit of the fund should be transferred to the several District Boards in the proportion of their cess receipts and
(4) the annual receipts should be transferred to the District Funds with the exception of those which relate to services that are transferred to Government and which would therefore also be transferred to Government

20 The charges now debited to the Local Fund General which we regard as provincial character and which, in our opinion, should be borne by Government is follows —

RECOMMENDATION 4
Charges of the Local Fund General to be transferred to Government

(1) Public Works executed by the Public Works Department including large bridge works costing more than Rs 2 500 whether on Local Fund or Provincial roads
(2) Industrial and other Schools
(3) The Indigenous Hospital Mysore
(4) Sericulture
(5) The Dasara Exhibition and
(6) The grant in aid to the Pasteur Institute

We consider that the contribution to Government from the Local Fund General Rs 60,000 per annum fixed by Government in August 1913 for item No 2 above ould cease, and that with regard to item 6, if the Government consider it neces y, a small fee may be levied on District Boards for each patient sent to Coonoor n the district concerned

RECOMMENDATION 5
Contribution from the Local Fund General to Government for Industrial Schools to cease

21 We consider that the other charges, *viz*, those relating to Veterinary tals, and dispensaries and well boring operations and also a few scholarships for al and industrial students in the State may be regarded as local in character transferred to District Funds

RECOMMENDATION 6
Charges of Local Fund General to be transferred to District Funds

THE VILLAGE SCHOOL FUND

22. The organisation and administration of the Village School Fund are found be similarly defective This fund is formed mainly by setting apart 24 per cent the cess collections from land revenue, and 33 per cent of the cess on other revenue, is intended to provide for primary education in rural parts It is managed by State Education Department, and its income has been found inadequate for the wing demands of primary education in rural parts Government has had to aid t liberally to make the year s receipts and expenditure balance, and year after year it is found that the Government grant is growing with the increase in the number schools or improvement in the pay of the masters With the recent great expansion of primary education in the State and the programme for still greater expansion in the near future, the Village School Fund is quite incapable of bearing the charges on account of vernacular or even elementary instruction Within the last two years, the State grant to the fund has doubled itself and as the expenditure on new schools is expected to rise by at least 3 lakhs within the next 3 or 4 years, the whole normal receipts of the Village School Fund will be hardly equal to a third of the demand upon it Further, as the fund is administered on a provincial basis there is nothing to ensure the cess collection of a district being spent within the district

23 To remedy these defects we consider that the Village School Fund as a distinct fund should cease to exist, and that "Examination Fees' on the receipts side and 'Local Examinations on the expenditure side which are of a vincial character should be transferred to Government But whether at this e primary education should be managed by Government levying a money ibution from District Boards or whether its management should be left to local es with a grant in aid to be given to them from Government is not a matter ly settled It is doubtful if our local bodies in their present condition, can iently and satisfactorily discharge this work, but it is felt that in Mysore, as in other countries, a successful system of universal primary education cannot be ently managed by a central State department but requires to be managed locally her, it is also considered that the transference of this function to local bodies means of fostering local self government We would therefore recommend the er of the work relating to primary education to the District Boards, but the fer need not be too rapid or violent Formally the control may be transferred the hands of the District Boards, but in the practical transaction of everyday ss the existing departmental agency may, for the present, continue to have all esent powers and responsibility, the Deputy Inspectors being associated with work by being appointed Secretaries or Vice Presidents of the Education

Management of primary education

Committees of the Boards The transfer to the local bodies of powers in matters of actual educational administration may be effected gradually as the local bodies evince increasing interest and efficiency and sense of responsibility till at last Government would have only powers of audit and inspection

RECOMMENDATION 7
Abolition of the Village School Fund etc

24 We therefore recommend that—

(1) the Village School Fund as a distinct fund should be abolished
(2) its items of receipts and expenditure should be transferred to District Funds with the exception of "Examination Fees" on the receipt side and "Local Examinations" on the expenditure side which should be transferred to Government
(3) the opening cash and invested balance at the credit of the fund should be divided among the several District Funds in the proportion of their cess receipts and
(4) the control of primary education should be formally transferred to District Board subvention from Government being given to the extent required

DISTRICT FUNDS

25 Having thus disposed of the Local Fund General and the Village School Fund we come to the District Funds including the Funds of Taluk Boards and Unions, a subject the importance of which cannot be over-rated

It is a well-known fact that activities which are most intimately connected with the people, and are directly beneficial and useful to them come within the scope of local bodies

Large sums, and in some places in the West, sums larger than those spent by the Central Government, are expended on such purposes by the local bodies and the tendency all over is for such activities and the sums spent on them to increase Local bodies are thus growing in importance and further serve as training grounds for self-government and organised action

26 A successful system of local self-government is not possible without the constitution, administration and financial organisation of local bodies being placed on a satisfactory basis As has already been said, the other Committee has attended to matters relating to the constitution and administration of local bodies, but the subject being of a great importance, we wish to mention briefly what we consider necessary for a successful system of local self-government

RECOMMENDATION 8
The District Board to look after all local activities in the district

27 For the proper organisation of local activities and the satisfactory administration of the funds locally raised, there should be only one body responsible for all departments of activities in the district, for this we have provided by the abolition of the Local Fund General and the Village School Fund and the inclusion of such of their duties, as are "local" in character, in the District Funds

RECOMMENDATION 9
Sub District Boards and Unions for smaller areas

28 But as the district is too large an area and the services to be performed are of a varied and complex character, there should be Boards for smaller areas, *viz.*, Sub-District Boards and Unions responsible for the performance of suitable activities within their jurisdiction We consider that the existing Taluk Board has too small an area and that a Board for each Revenue Sub-Division as in the Madras Presidency will work better and that more Unions should be constituted, the ideal being that each village should by itself or along with others situated close by should form a Union

RECOMMENDATION 10
Sub District Boards and Unions to have independent funds and powers

29 All local bodies including Sub-District Boards and Unions should have independent financial existence and powers They should have definite sources of income and perform specified services, and above all they should administer the services for which they pay

30 At present though there are three classes of Rural Boards in the State all the power allowed so far to them, and this is by no means considerable is concentrated in the District Board, and the Taluk Boards and Unions have no independent powers, nor separate funds in spite of Rule 132 (*e*) and (*f*) of the Local Board Rules

Further, nearly 60 per cent of the expenditure of the local bodies is incurred in the shape of contributions to the State revenues for services performed by State agency under State control and not by the local bodies themselves Reform in these directions is very necessary before the local bodies can be expected to work efficiently and successfully

31 For placing the financial organisation of the local bodies on a proper footing have carefully gone through the list of functions of the local bodies as given in the Boards Regulation and the amounts actually spent at present by the District s, the Local Fund General and the Village School Fund, and consider that the efficient discharge of all the functions assigned to them (including those ed to be transferred from the Local Fund General and the Village School Fund) following amounts may be regarded as the minimum required at present —

RECOMMENDATION 11

Amounts required by District Boards for their activities

Public works (new roads repair and restoration of old ones construction of bridges wells etc)	10 lakhs
Conservancy and sanitation	2
Medical Relief	1½
Veterinary Hospitals and Dispensaries	25 000
Vaccination	35 000
Midwives and Maternity	25 000
Lighting charges	10 000
Education	7 lakhs
All other items of expenditure	2
Total or 23 lakhs roughly	23 45 000

32 The receipts of all the District Boards after transferring thereto the rpts of the Local Fund General and the Village School Fund as suggested above would only be 13 lakhs so that a further sum of 10 lakhs is found to be necessary

RECOMMENDATION 12

Amount required by District Boards in addition to their present income from all sources

33 We have examined the existing sources of revenue of the rural boards and find that they cannot be made to yield this amount though, by more efficient management, some small improvement may reasonably be expected

34 In our opinion, the income from fairs and festivals is capable of expansion, and the system of tolls though not ideally satisfactory should also be made to ld more as in Madras

RECOMMENDATION 13

Possible sources of increasing income

35 We also consider that the rate of house tax in rural parts varying from four annas to five rupees is susceptible of increase and that the classing of houses for the purpose of the tax is susceptible of revision

36 Raising the rate of local cess in some districts, where necessary, does not under present circumstances seem to us to be a desirable measure

37 We thus arrive at grants in aid from Government as the only possible and satisfactory method of making up this deficiency of about 10 lakhs referred to in para 32 above

RECOMMENDATION 14

Deficiency to be made up by grants in aid from Government

38 In every country liberal grants in aid from Government to the local bodies to help in the performance of duties in which the country at large is interested are a regular feature In some provinces in British India a subvention equal to 25% of the collections from the Land Revenue Cess is being given to the local bodies by Government since the year 1905 over and above large, though occasional grants for sanitation, education, etc , which Government is able to give when it realises surpluses In suggesting a definite system of grant in aid from Government in our State we are thus only following the practice in British India and elsewhere

39 We discussed the question of the form which the grant in aid from overnment should take, whether it should be in the form of an assignment of enue or a direct lump sum payment The assignment of a particular source of revenue is as much a grant in aid to local bodies as a direct money payment We erstand that assignment of a specified source of revenue has been viewed with vour by some eminent authorities on Local Finance We have come to the con usion that the entire mohatarfa in non municipal arears, which form of taxation in our opinion eminently one suited to appear in the budget of local bodies rather than in that of the Central Government, should be transferred to District Boards present, whenever a Union is formed the Central Government ceases to receive house tax which is transferred to the Union Our recommendation goes onl ep further and anticipates what is likely to happen if the whole of the State parcelled out into Unions As the mohatarfa yields only about Rs 2,85,000 pe um, a further sum of 7 lakhs in round numbers should, in our opinion be give as a direct lump sum grant in aid to District Boards so as to enable them to scharge all their functions satisfactorily

RECOMMENDATION 15

Form of grant in aid Mohatarfa and lump sum grant

If our other recommendations, *e g*, making the cart tax general [illegible] the rate of house tax, etc, are given effect to and if the District Board make an earnest attempt to derive the maximum revenue by the exercise of their financial powers this grant-in-aid will not ultimately be more than 4 lakhs per annum

RECOMMENDATION 16
Grant in aid not to be earmarked except for education

40 We have also discussed the question whether the grant-in-aid from Government should be earmarked for a specific purpose or should be intended only to augment the balances of local bodies and entire discretion about spending it left to them Earmarking a grant in-aid for a specific purpose fetters the discretion of the local bodies and is necessary only in places where by law or usage the Central Government has not got much control over the local bodies and requires to obtain some power in this indirect manner by adding a condition to the grant-in-aid As, in our State, Government has got ample powers of control and ample opportunities to make its opinion felt by local bodies and to persuade them to adopt a particular course of expenditure considered desirable by Government and as, moreover our object here should be to give more and more powers to local bodies and encourage them to exercise the same, we would not earmark contributions except for the one purpose of education

RECOMMENDATION 17
Assignment of mohatarfa not to be earmarked

41 We would thus have two lump sum grants-in aid, one earmarked for education and the other not earmarked for any purpose The assignment of mohatarfa would not be earmarked

RECOMMENDATION 18
30% of total income to be earmarked for education

42 The question whether it was desirable to earmark the amounts to be spent by the local bodies on their several activities engaged our attention For reasons similar to those mentioned in para 40 above, *viz*, that local boards should be given full discretion and encouraged to exercise it and that Government can make its opinion felt in promoting expenditure in any direction it liked without laying down such a rule, we consider that such earmarking is not ordinarily desirable But in as much as the Village School Fund which was solely for education is proposed to be abolished, we would make an exception in the case of education and we would suggest that 30% of the total income of District Boards from all sources, including grants from Government, should be the minimum to be spent on education

TALUK BOARDS AND UNIONS

43 So far we have included the Taluk Boards and Unions in our remarks about local bodies It now remains for us to make suggestions regarding the Taluk Boards and Unions specially

44 The Taluk Boards and Unions as at present constituted are not independent financial entities and have no independent budgets or accounts of their own Without such independent existence they cannot be expected to become real centres of local self government

45 Although it is provided in the Local Board Rules that the proceeds of the tax on houses and license fees for erection of structures levied in a Union as well as the surplus funds available under Section 18 of the Cattle Trespass purposes of Act from cattle pounds situated in a Union should be wholly appropriated to the Union, this rule remains almost a dead letter and is not in practice observed

RECOMMENDATION 19
Area of Sub District Boards

46 In the case of the Sub-District Boards it is not only necessary to invest them with independent financial existence but also, as referred to in para 28 above, to extend the area of their jurisdiction to the Revenue Sub-Divisions as in Madras so that they may have sufficient funds at their disposal and a sufficiently wide area to secure a number of intelligent members

RECOMMENDATION 20
Sub District Boards and Unions to have defined income and activities

47 We consider that Unions and Sub-District Boards should have definite sources of income and specified items of activities We do not think it necessary to define them here in detail We are, however, of opinion that they should be somewhat as described in the following paragraphs

48. The revenues of a Union should be derived from the following sources — RECOMMENDATION 21 Revenues of Unions

(1) The assignment of a portion of the local cess levied in the village.
(2) Special grants for particular objects of improvements to be made by Sub District Boards, and
(3) the receipts from mohatarfa, village cattle pounds and markets under its management

The services to be looked after by Unions should be somewhat as follows — RECOMMENDATION 22 Activities of Unions

(1) Sanitation
(2) Lighting
(3) Construction and repair of local minor works, such as drinking water wells cleansing of the village etc
(4) Upkeep of village roads and
(5) The control of village pounds and markets

49 The income of Sub-District Boards may be derived from the following RECOMMENDATION 23 Income of Sub District Boards

(1) A definite portion say 50 per cent of the cess levied in their areas
(2) The whole of the mohatarfa realised within their jurisdiction and the miscellaneous revenue such as tolls pound rents and market fees accruing from services under their control and
(3) Grants in aid from District Boards

Sub-District Boards should be the principal agencies of rural board administration They should be entrusted with all local duties except those of a minor character transferred to Unions Their functions will fall mainly under the following — RECOMMENDATION 24 Functions of Sub District Boards

(1) Maintenance and improvements of roads and other communications
(2) Education, mainly primary
(3) Upkeep of medical institutions
(4) Vaccination
(5) Sanitation
(6) Veterinary work
(7) Markets and rest houses and
(8) Pounds and ferries

50 The chief functions of District Boards may be as follows — RECOMMENDATION 25 Functions of District Boards

(1) Local services which can be managed better by them than by Sub District Boards
(2) Construction and upkeep of the main roads of a district
(3) Recruiting for certain branches of work which the Sub District Boards will control but which are common in character to the whole district and
(4) To possess independent funds with which to supplement the resources of the poor Sub District Boards by giving them grants in aid and to receive grants in aid for the district as a whole from Government

51 The Committee are of opinion that it is desirable to invest District Boards with larger financial powers than they enjoy at present, and to give some powers to Sub District Boards and Unions also in matters relating to them RECOMMENDATION 26 Larger Financial Powers for District Boards

MUNICIPAL FUNDS

52 Passing next to the Municipal Funds, we understand that the other Committee has recommended the abolition of all municipalities with population less than 2,500 if they are not at Taluk Headquarters We consider this an undesirable and a retrograde step There can be no harm in a place counting a few hundred forward and public spirited inhabitants collecting a fund under the provisions of the Municipal Regulation and spending it in accordance therewith All that is necessary in our opinion is that rules should be laid down regarding the sources of income and the sphere of activities of such small municipalities Their income should be derived from a few direct sources which can be easily and economically collected and accounted for and their expenditure should be limited to those services which secure the greatest benefit to the population without a disproportionate expenditure on general or supervising establishments from the Municipal Funds We would retain all non-regulation municipalities but would bring them under the regulation RECOMMENDATION 27 Small municipalities

53. We find that Octroi is an important source of income of most of our municipalities That it is an objectionable form of taxation specially in the practical sphere of administration is recognised by all It causes a great deal of inconvenience and vexation to the merchant at every point he comes in contact with the staff, it gives room for malpractices on the part of the lowly paid staff and drains out from the people more than what the municipality receives, and is tolerated because it is productive and people have become habituated to it Though RECOMMENDATION 28 Abolition of Octroi

Government have expressed themselves against it in G O No 6981-9—Ml 14, 10 11, dated 25th March 1912 and declared their willingness to sanction its abolition in any municipality which recommended such abolition, no municipality seems to have taken steps to do so apparently on the ground that it is difficult to replace the income derived from it Octroi is unknown in Madras and Bengal and we consider that it is possible to replace it in our State without affecting the income of municipalities by adopting one or more of the following methods —

(1) raising the rate of house tax
(2) levying profession taxes
(3) levying a terminal tax on goods coming in by railway and
(4) levy of tolls

RECOMMENDATION 29
Terminal tax to replace octroi

We have found by actual examination of statistics of goods imported by railway, that in Bangalore, Shimoga and Davangere a light terminal tax of 6 pies per maund of goods coming in by railway will yield more than the present octroi in those places We consider that a similar terminal tax would be sufficient for other municipalities on railway lines and that in other municipalities a judicious selection of the other methods will serve the purpose

54 It was urged by some of our members that if a terminal tax is levied, ragi, jolam and other similar food grains of the poorer classes should be declared exempt as it was not desirable to tax such articles

The majority, however, consider that the rate of tax proposed being very low, it would not affect retail prices and that if the proposed exemption is granted, there would be an appreciable fall in the income from the tax But we recommend that should the levy of the terminal tax on articles other than ragi and jolam yield as much as the present income from octroi in any place, these two articles may be exempted

RECOMMENDATION 30
Only taxes under the Regulation to be levied

55 As a corollary to the recommendation that the Non Regulation Municipalities should be brought under the Regulation we have also to suggest that no taxes should be levied in a Municipality other than those authorised by the Municipal Regulation At present in Non-Regulation Municipalities and in the case of shop tax even in Regulation Municipalities, mohatarfa taxes are levied according to the Chief Commissioner's Notification of 1870 We consider this to be an anomaly and recommend that only taxes coming under the Municipal Regulation should be levied in Municipal areas Under the Mohatarfa Rules the following taxes are leviable —

(1) Taxes on houses and vacant lands,
(2) Cart tax,
(3) Oil mill tax, and
(4) Shop tax

RECOMMENDATION 31
Shop tax to be replaced by profession taxes

We have recommended the abolition of No 3 and the Municipal Regulation contains provisions for levying 1 and 2 Number 4 above we would replace by profession taxes

RECOMMENDATION 32
Schedule of profession tax to be revised so as to correspond with the schedule in the Madras Presidency

56 We are given to understand that the replacement of the mohatarfa shop tax by profession taxes under the Municipal Regulation has been rendered practically impossible by the scale of the latter being comparatively much lower than that of the former, *e g*, while under the former, every shop-keeper has to pay the tax, the latter as it stands at present exempts all whose incomes are less than Rs 100 per mensem We, therefore, consider that the schedule of profession taxes in the Municipal Regulation should be so altered as to correspond with the schedule in the Madras Act We consider that when this is done the Municipalities would be able to replace mohatarfa shop tax by profession taxes The schedule in the Madras Act provides for the levy of a graduated tax varying from 1 to 100 rupees per annum with an income of Rs 30 per mensem as the taxable minimum and we do not see why such a scale should not be found suitable here

RECOMMENDATION 33
Loans for productive public works to be raised from the public

57 The question of borrowing by Municipal bodies is one of the matters which engaged our attention At present there is no definite rule laid down about it We consider that for the execution of productive public works Municipalities should be encouraged to raise loans from the public and not attempt to borrow from the Government or meet the expenditure out of current Municipal revenues To facilitate such borrowing, Government should, if necessary, guarantee repayment of loan and interest at a suitable rate which may be 4½% or 5% Such a system will

to Municipalities to carry out useful works without waiting for a loan from Government, will enable them to utilise their credit to the fullest possible extent and will also result in the employment of some of the wealth, now hoarded, on productive and beneficient works

58 In addition to the above facilities for borrowing, we consider that there should be a definite policy and a set of rules providing for the giving of grants-in-aid to Municipalities for necessary and useful works such as sanitary, drainage, or water works involving heavy outlay, which cannot be regarded as productive We are of opinion that a rule should be framed providing for the grant of half the capital outlay in such cases, provided the Municipality can satisfy Government of its capacity to meet the recurring charges involved and the other half of the capital outlay

RECOMMENDATION 34
Government grants in aid for useful works

59 As in the case of District Boards, we are of opinion, that Municipalities also may be invested with larger financial powers

RECOMMENDATION 35
Financial powers of Municipalities

60 For the efficient management of the finances of Municipalities we consider that both the President and the Vice President of a Municipality should be persons who are ordinarily resident within the jurisdiction of that Municipality

RECOMMENDATION 36
Presidents and Vice Presidents of Municipalities to be residents therein

MOHATARFA

61 We agree to the recommendations of the last Taxation Committee referred to us, for opinion, mentioned in para 2 (3) above with the addition that the mohatarfa should be entirely made over to local bodies and should cease to be an item of revenue of the Central Government

RECOMMENDATION 37
Mohatarfa

62 Our specific recommendations No 1 to 37 are found in paras 9 to 61 above and the more important of them are given below and will be moved as separate resolutions in the sittings of the Economic Conference

IMPORTANT RECOMMENDATIONS

I (a) The Local Fund General may be abolished the services now performed by it being distributed between District Funds and Government according to their character

(b) The Village School Fund may be similarly abolished and primary and vernacular education in rural areas transferred to District Funds

(c) The District Fund in each district may take up all the functions that are suitable for local bodies, including primary education the entire cess and other receipts of the Local Fund General and Village School Fund being transferred to it

II (a) To enable District Boards to discharge all their functions, 23 lakhs are required at present for which a cash grant in aid of 7 lakhs should be given by Government, and in addition, the whole of mohatarfa now credited to General Revenues amounting to about 3 lakhs should also be transferred to it

(b) District and Taluk Boards and Unions should have more powers and the latter two should have independent financial existence and specified duties

III (a) All Non Regulation Municipalities should be brought under the Regulation and only taxes under the Regulation should be levied therein

(b) Octroi should be abolished in all Municipalities and the loss of income made up by the levy of terminal taxes in places with railway connections by the levy of profession taxes, higher rates of house taxes and tolls in other places

(c) For the execution of productive public works, Municipalities should be encouraged to raise loans, such loans, being guaranteed, if necessary, by Government

(d) There should be a definite set of rules providing for grants-in-aid being given to Municipalities from Government for the execution of necessary and useful but non productive works to the extent of half their cost

IV (*a*) Mohatarfa should be transferred to local bodies

(*b*) The rate of the mohatarfa house tax in non municipal areas fixed 60 years ago is capable of enhancement in the case of the better class of houses

(*c*) Shop tax in non-municipal areas may continue but in municipal areas it should be replaced by a professional tax under the Municipal Regulation

(*d*) The cart tax may be made general and levied at one rupee per cart per annum including agricultural carts

The rates on waddar carts may be half a rupee

63 In conclusion we beg to express our great appreciation of the valuable work done by our Secretary, Mr S Shamanna, in helping us in our deliberations by the compilation of statistics and in other ways, in drawing up the proceedings of our meetings and in drafting this report

We have the honour to be,
Sir,
Your most obedient servants,

C SREENIVASIENGAR,
Chairman

K P PUTTANNA CHETTY,
J S CHAKRAVARTI,
D VENKATARAMAYYA,
C S DORASWAMI IYER,
S R BALAKRISHNA RAO
N S SUBBA RAO,
M N KRISHNA RAO,
Members

I concur generally in all the resolutions except the one regarding the abolition of octroi which I wish to study

A RANGASAMI IYENGAR

G R S 13]

Routine Notes

[To be used only for notes, requisitions, etc., not intended for permanent record]

Comp dashed

As directed by the Dewan, I submit herewith a Note on Local Self Government Scheme In this note, the essential points raised in the First Member's Minutes are analysed and I have ventured to add a few suggestions here and there, based upon the Dewan's views in personal discussion with me showing how far the First Member's proposals may be accepted.

If the Dewan approves the Notes of the First Member may now be circulated to Council and the proposals discussed at the next meeting of Council After some definite agreement is reached in Council, there will be no difficulty in putting up a draft G O for consideration

The papers may therefore be kindly marked for circulation

Dewan

SPN 11/7

N.B —Should routine notes be written on small slips the notes must be copied or slips pasted on this form

GPB—50 000—5 8 1.

Note on Local Self Govt. Scheme

I Municipalities.

On the whole there does not appear to be any great difference of opinion between the proposals outlined in the draft order and those sketched by the First Member in his note. In the draft order more attention was devoted to the constitution of Municipal Councils and the powers that they ~~may~~ might be allowed to exercise with regard to ~~the~~ establishment, budget and works, while the First Member lays considerable stress on the important question of the finances of Municipal Bodies. The only material difference appears to be as regards the provision made in the draft order for the appointment of chief executive officers for all Municipal Councils.

already put up

It would probably be convenient to group the main points raised by the First Member under certain well-defined headings so as to facilitate comparison with the treatment of the same points in the draft order.

I. Statutory Basis.

In the draft order, 3 classes of municipalities were contemplated, viz., the city, town and minor, all of them being governed by the same regulation. The First Member is in favour of a separate regulation for city municipalities and applying the Municipal Regulation of 1906

1906 to district municipalities only. All municipalities yielding a revenue of Rs one lakh and above would be considered as City Municipalities. As regards district municipalities he would take not merely the test of population but also other circumstances into account in determining whether any town should be constituted into a Municipality.

The original classification of town and minor means a place seems to be useful as it will allow some differentiation being made between large and small towns, as regards constitution, powers and functions.

II. Constitution.

There is not much difference of opinion as regards the constitution of municipal councils. The First Member prefers paid chairmen for city municipalities and elected or nominated Presidents or Vice-Presidents for other municipal councils. These proposals as well has the proposal to have a majority of elected members in all councils may be accepted. As has already been stated the First Member is not in favour of any executive agency for district municipalities, apart from the President and the Vice Presidents. This view may probably be accepted.

III.

III Financial.

The proposals of the First Member as regards increasing the financial resources of municipalities may be briefly summed up as follows:-

(1) Levy of profession tax and revision of house-tax.

(2) Abolition of Octroi and levy of Terminal Railway Tax on passengers only.

(3) Compulsory levy of toll in every municipality as well as license fees and vehicle and animal taxes.

(4) Handing over a percentage of excise shop rental to municipalities.

(5) Half yearly audit by Government, a part of the cost borne by municipalities.

(6) Budgets of District Municipalities to be passed by Deputy Commissioner, under defined limitations, city municipal budgets requiring the sanction of Government.

(7) Permission to municipal councils to raise loans in open market under Government guarantee

Most of these proposals have been touched upon in the report of the Local Finances Committee and there seems to be no objection, to a accepting all of them. With regard to levy of terminal tax it would probably be better to confine it

to

to a few places of pilgrimage where there is a large amount of pilgrimage traffic instead of levying it in all railway stations with hardly any passenger traffic at all.

IV. Establishments.

The First Member proposes that establishment should not exceed the definite percentage of revenue of municipalities. Such a provision is in force in Madras and may be accepted. He also wishes that full powers over establishments should be conferred on Municipal councils.

V. General.

The First Member is of opinion that provision should be made in the Regulation itself for transfer of control of education, medical relief and nuzrai institutions by municipal councils as also provisions relating to town planning.

He also favours the inclusion of provisions for ensuring better collection of municipal revenues.

The proposals may be accepted.

These are some of the more important points raised by the Member in his note, the other points raised relate to details

II District and Rural Boards.

A greater part of the First Member's note on District and Taluk Boards is concerned with the question of Union Administration. After pointing out that the Local Self Government Committee recommend the general adoption of the Madras system of district and taluk boards he utters a warning against the wholesale adoption of the Madras system which has been found to be defective in Madras. His proposals as regards unions are as follow -

To convert a few suitable non-regulation municipalities into unions according to local conditions and turn the remaining smaller municipalities into notified areas under new Local Boards Act.

He considers that

(1) ~~the~~ unions should be established only in places which are homogeneous and ~~alike to be of~~ bound by common interests,

(2) every union should have financial autonomy and subject to the broad control of the District Board, have their own budgets and establishments and levy their own taxes,

(3) the union should have an elected president and an elected majority of panchayetdars,

(4) the district and taluk boards should

should contribute a certain quantity of their general revenues to each union,

(5) the union should be governed by a separate punchayet regulation,

(6) government may by notification vest in unions other powers such as control of village taxes, village medical aid, village forest grazing and irrigation.

The Scheme outlined above has a great deal to recommend it but it could be applied with success only to a few ~~the more important~~ places which are not important enough to be constituted into municipalities.

A complete system of local self-government should include provision for bringing every village in the State under some form of local organisation. Every village cannot be constituted into a union . We have already Village Improvement Committees in a large number of our villages. Our aim should therefore be to legalise these existing committees and to put them on proper footing The Village Committee may undertake all the primary duties already laid-down for them by Government while the larger unions will be complete entities with powers of taxation.* The legalisation of the Village Improvement Committees would therefore proceed simultaneously

along

along with the constitution of unions in larger r villages.

Taluk Boards.

The First Member seems to be generally in agreement of the provisions contained in the draft order with regard to taluk boards with the modification that no hard and fast rules need be laid down as regards the necessity for the Taluk boards for each taluk.

District Boards.

A similar remark applies in the case of district boards He favours a general establishment under the district board for the discharge of those common functions devolving on that board as well as for the supervision over taluk boards and union panchayets. If there is not to be much supervision from Government it is very necessary that the district board should have its own audit establishment for auditing the accounts of the bodies sub-ordinate to it, very frequently. This is very necessary especially in view of the large financial powers proposed to be vested in these bodies.

III General

General.

The draft order dealt with 3 other points in connection with the local self-government scheme.

(i) Provision for local improvements and developments

(ii)

Confidential

Proceedings of the meeting of the Local Self-Government Committee held on the 17th September 1914 at 1 P M

PRESENT

M Kantaraj Urs, Esq , B A , C S I , presiding

1 Rajasabhabhushana Dewan Bahadur K P Puttanna Chetty, Esq
2 P Raghavendra Rao, Esq , B A , B.L
3 K Chandy, Esq , B A
4 P G D'Souza, Esq , B A , B L
5 B Srinivasiengar, Esq , B A , B L
6 C Seshadri Iyengar, Esq
7 C Subba Rao, Esq, B A , B L
8 B Narasinga Rao, Esq
9 A Ramanna, Esq
10 H Ramaiya, Esq
11 D Venkataramayya, Esq

I —*Confirmation of Resolutions recorded at the previous meetings of the Committee*

The resolutions were confirmed subject to the following alterations and additions —

I —GENERAL

Resolution No 3

Add —" The City Municipal Councils may be granted special privileges in this connection "

Resolution No 8

Amend as follows —" Muzrai Institutions with the exception of such as may be reserved by Government may be placed under the etc , etc

Resolution No 9

Add — '(IV) All other items of expenditure within the budget limits incidental to and necessary for the purpose of the Regulation except in respect of original public works costing more than Rs 1,500 '

II — MUNICIPALITIES (A)

Resolution No 4

Read 7,000 for 3,000

Resolution No 5

In the proposed schedule VIII against chapters VII and VIII insert 'except Section 89 '

III —LOCAL BOARDS

Resolution No 2

1 Omit Rules 7, 8, 10 in rule *re* District Boards and Rule 2 in rules *re* President's powers

2 In Rule 4, substitute Rs 25 for Rs 50

3 Rule 9 relating to remissions to be applied to Municipalities also

Resolution No 3 (6)

1 In Rules 6 and 7 of the Rules regarding " Sub District Boards, substitute Rs 500 for Rs 750

2 and after the words " have the works executed insert the word 'ordinarily '

Resolution No 4

1 In Rule 3 of the Rules relating to Panchayat, substitute "Panchayat" for the words "President of the Taluk Board" occurring at the end of that rule

2. In Rule 16 after the words "in cash" insert the words "out of imprest"

II.—Supplementary Propositions

(1) Resolved that the Mysore Municipal Regulation be suitably amended so as to provide for the following —

(*a*) Composition of offences

(*b*) Proceeding against vacant sites for recovery of arrears of vacant land tax

(*c*) Regularising the levy of mohatarfa shop tax.

(2) Amendment of Section 20 (3) of the Local Boards Regulation so as to permit Sub District Boards and Unions to invest their surplus funds. Approved

(3) Distribution of Local Fund between District Boards, Sub-District Boards and Unions

Resolved (1) that not less than one half of the local cess realized within the Sub District area be placed at the disposal of Sub District Board concerned and (2) that the entire mohatarfa on houses and on carts as well as the 'hittal' tax in non-union areas be handed over to Sub-District Boards to be utilized wholly for village improvements, similar items in Unions being handed over to the Union Panchayats

(*4*) *Draft Budget Rules as hereunder were approved* —

I *Union Budgets* —To be sanctioned by the Sub-District Board The budget to include items of expenditure incidental to works entrusted to their charge by the Sub District Board

II *Sub-District Board Budgets* —On receipt of the budget estimates from all the Unions comprised within the Sub District Board area, that Board to compile a consolidated budget and submit to District Board for sanction The District Board to have power either to sanction it without alteration or to revise it, if necessary, before conveying sanction

III *District Board Budgets* —The District Board to compile 2 budgets, *viz*, (1) a budget estimate of the receipts and expenditure appertaining to the District Fund This may be passed by the District Board itself and retained by that Board

(2) A consolidated budget estimate under 3 divisions, *viz*, District Board Sub-District Boards and Panchayats within the district This budget to be forwarded to Government

IV *Municipal Budgets* —The present procedure to continue

5 Control of Sub District Boards and Unions Resolved that the control of the superior authority be limited to seeing that the budget limits and the powers are not exceeded and to intervention only in cases of default to discharge particular duties

6 Limits up to which Sub District Boards' Presidents and District Boards' Presidents may make appointments and the class or classes of appointments in respect of which Government sanction should be insisted on

Resolved as follows —

Sanctioning authority	*Nature of appointment*
(*a*) Government	Appointments carrying a pay of Rs 100 and upwards
(*b*) Presidents of District Boards and of City Municipal Councils	Appointments up to Rs 100

Sanctioning authority	*Nature of appointment*
(c) Presidents of Sub-District Boards and of Municipal Councils other than City Municipal Councils	Appointments up to Rs 25

7 Holding of a Local Self-Government Conference annually or once in two years at Mysore

Resolved that it is desirable to hold such a Conference once in two years

8. Grant of increased scope to local bodies to delegate powers of inspection, etc, to individual members and committees (cf Section 37 of the Municipal Regulation)

Resolved that such a step is quite necessary

9 Formation of Village Panchayats in each village as the unit of Rural Self-Government

Deferred for consideration after the present set of recommendations have been reported to Government

10 Mr H Ramaiya's proposal that leaflets of Municipal and District Fund matters should be prepared and distributed among the public

Approved

(*N.B*—It was suggested that Mr H Ramaiya might be requested to kindly prepare one in Kannada for wide circulation)

GPB-100-15 10 14

p 25

Address

OF THE

Dewan of Mysore

TO THE

Dasara Representative Assembly

19th OCTOBER 1915

PART I

MYSORE
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1915

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ADDRESS

OF THE

DEWAN OF MYSORE

TO THE

DASARA REPRESENTATIVE ASSEMBLY

19th OCTOBER 1915

I —Preliminary

GENTLEMEN,

By command of His Highness the Maharaja, it is my pleasing duty to welcome you to the thirty second session of the Dasara Representative Assembly, and to address you, in accordance with precedent, upon the past year's administration of the State and on the more important measures which will engage the attention of His Highness' Government in the current and coming years

2 As was done on the last two occasions, the address is presented in two parts The first part is intended to give the salient features of the year's work and the second part, which will be taken as read, deals with less important details The two parts together will, it is believed, give all the information that is likely to interest the public in the operations of the Government Departments during the official year 1914 15

The War

3 To us, as to the rest of the civilised world, the great European war continues to be an object of supreme concern The destruction of treasures of art, historic buildings and ships, means the loss, in the course of a few months, of the fruits of generations of skilled human labour The distressing events that are happening and the barbarous methods of the enemy have served to emphasise the moral significance of the struggle and have won for the Allies the sympathy and respect of the entire civilised world The end is not, perhaps, as yet in sight, but the thoroughness and determination with which the allied

nations are organising their resources, make it certain that their final victory cannot be far distant

Despatch of Mysore troops

4 Since we last met, His Highness' offer of our troops for the war has been accepted and our Imperial Service Regiment left Bangalore for active service on the 13th October 1914 under the command of Col J Desaraj Urs, C I E, M V O Its members, from all accounts received, have been behaving in a manner of which their countrymen may well be proud The strength of the Depôt at Bangalore has been temporarily raised to replace casualties in the field Government have also undertaken to train some remounts belonging to the Imperial Government

Having regard to the magnitude of the operations, the help we can give is, after all very little, but that little has been, and will continue to be given, without stint to the fullest measure of our limited resources

5 The war has affected our finances and trade in various directions and a period of tension is upon us Prices of food grains continue to rule high and machinery and materials for manufacture are difficult to procure During the current year also, we shall probably have to forego a substantial portion of our sandalwood revenue All this will doubtless change when the war is over, and we may hope that when progress is resumed, it will be at a pace which the interruption will only have served to accelerate

Agricultural conditions, 1914 15

6 The seasonal prospects were not very reassuring when we met here last Dasara The *mungar* rains of April and May 1914 had been scanty and ill-distributed, and the south-west monsoon had proved unsatisfactory Some difficulty was felt for drinking water, fodder had become scarce, particularly in the districts of Bangalore, Kolar, Mysore and Hassan, and anxiety was felt regarding the state of the crops But these conditions did not, fortunately, last long, and the end of the monsoon brought us ample rains which largely made up for the deficiencies in the earlier part of the year Some of the crops, such as sugar cane and horse gram, gave a good yield, and there was no reduction in the acreage under dry crops generally, though the outturn was not satisfactory Judged in the bulk, the results of the year's operations cannot be said to have been very unfavourable

Seasonal prospects 1915 16

7 The current monsoon began very well The *mungar* rains were satisfactory over the greater part of the State There was a break in the month of August and

part of September but the heavy showers we have had within the past six weeks have served to ease the situation Although we still want more rain, the prospects of the season, so far as present indications go, seem to be on the whole satisfactory

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2 —Administration—General

8 Before proceeding to a description of the work of the departments, I shall refer to a few subjects of general administrative interest

First and foremost I may be permitted to refer to the distinction of G C I E conferred by His Majesty the King-Emperor on Sir Sri Narasimharaja Wadiyar Bahadur, the Yuvaraja of Mysore I have no doubt you will all join me in offering our respectful congratulations to the Yuvaraja on the distinction he has so worthily earned and on the important part he is taking in the administration of the State as Extraordinary Member of Council

The Representative Assembly

9 The session of the Representative Assembly last year extended over seven days, namely, from 1st to 7th October Two hundred and ninety-two subjects were discussed, of which 149 have been finally dealt with The number of subjects still under consideration is 143 or, including those pending from previous years, 216

10 It is the wish of His Highness the Maharaja that the elected representatives of the people in this Assembly should become more closely acquainted with the objects and plans of Government by a discussion of the State budget, and I shall be glad if you will suggest how this wish might be most conveniently given effect to

The budget will have been passed at the beginning of the official year, but the suggestions of the members may be utilised in framing the following year's budget If any of the suggestions be such as could be adopted without interfering with the integrity of the budget, Government may be able to give immediate effect to the same At all events they will have an opportunity of gauging, and bringing the budget in line with, the reasonable wishes of the representatives of the people as far as possible

The Legislative Council

11 The Legislative Council met four times and considered nine bills, including three pending from the previous year With a view to render budget discussions more informing and useful, a preliminary meeting was held in July of this year, at which members were afforded an opportunity of obtaining information before they met for formal discussion

12 You may remember that, at the last session of this Assembly, the members asked, among other things, for the grant, to the non-official members of the Legislative Council, of the privilege of asking supplementary questions in connection with the powers of interpellation which they now enjoy You will be glad to learn that His Highness the Maharaja has been graciously pleased to grant the request subject to the same rules as are applicable to Legislative Councils in British India A member, who has asked a question, may put a supplementary one for the purpose of further elucidating any matter of fact regarding which a request for information was made in his original question Detailed rules in the matter will issue in due course

Secretariat Changes

13 A few changes of importance have been made in regard to the Government Secretariats For facility of work five Secretariats with distinct functions have been constituted The Military Secretary to His Highness the Maharaja has ceased to perform Secretariat functions in respect of the Departments under his executive control, and the State Geologist, who is now designated Director of Mines and Geology, has been afforded similar relief The office of the Engineer in-Chief for Railways has been separated from the Railway Secretariat Measures are under contemplation for ensuring a greater degree of uniformity than exists at present in the methods of work followed in the different Secretariats

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3 —Finance

Revised Estimate for 1914 15

14 Turning now to the finances of the State, the revenue for the year 1914-15, according to the revised estimates, stood at Rs 278 14 lakhs and the ordinary expenditure at Rs 254 15 lakhs, showing a surplus in the ordinary account of Rs 23 99 lakhs Including extraordi-

nary expenditure and the capital outlay on new railway and irrigation works amounting to Rs 86 96 lakhs, the total expenditure came to Rs 393 11 lakhs or Rs 114 97 lakhs in excess of the year's revenue In the budget the net outgoings had been estimated at Rs 73 54 lakhs The situation was thus less favourable than what was anticipated by Rs 41 43 lakhs The circumstances which brought about this result were the payment of a contribution of Rs 52 lakhs to the Imperial War Funds, and a fall in the revenue to the extent of about Rs 6 95 lakhs, due mainly to a set back in the sandalwood revenue, counterbalanced by savings in expenditure to the extent of Rs 17 52 lakhs

Budget Estimate for 1915 16

15 The State budget for the current year was presented to the Legislative Council on the 28th June 1915 and was discussed by that body on the 27th July following The estimates as finally approved provide for a gross revenue of Rs 274 02 lakhs and a gross ordinary expenditure of Rs 273 70 lakhs The total expenditure of the year amounts to Rs 340 05 lakhs, including special grants on account of the following large public works —

	Lakhs Rs
Cauvery Reservoir and allied works	25 00
Capital outlay on State railways and steam tramways	26 35
Subsidised or aided railways	7 00
Bangalore electric tramways	6 00
Cauvery Power Scheme—IV Installation	2 00
Total	66 35

16 The year's budget shows practically an equilibrium between receipts and ordinary expenditure This is due to an anticipated decline of Rs 15 lakhs in the sandalwood revenue, as a result of the war conditions, and to the continuance of the provision made for certain special items of expenditure for the economic and social improvement of the people, amounting to roughly Rs 11 lakhs The present circumstances are of an unusual character and cannot obviously last long or recur with frequency, and it is not considered prudent to interrupt the continued operation of measures for the welfare of the people Taking the experience of the past four years, during which the ordinary account showed a favourable balance amounting (in round figures) to rupees 19, 52, 40, and 24 lakhs, respectively, it is not too sanguine to expect a surplus of at least 20 lakhs in normal years in future

17 During the past four years, Government have spent nearly a crore and a half rupees on large productive public works, *viz*, railways, the Cauvery Reservoir and additions to the hydro-electric works known as the Cauvery Power Scheme These works will eventually yield a substantial return on the outlay incurred and will prove assets of great permanent value to the State. It is a matter for satisfaction that we have been able to carry out, from accumulated balances and current savings works of this magnitude and character which, in other countries, would ordinarily be constructed from borrowed funds

18 But our present method of financing has its limitations The Government balance which was roughly Rs. 120 lakhs at the end of June last, according to the statement of assets and liabilities hereto appended, will, it is expected, be reduced to about Rs 53 lakhs by the end of the official year As this balance does not admit of further reduction, we have to consider whether the construction of new works of a productive character should be deferred till sufficient funds accumulate, or whether recourse should be had to borrowing

19 Our policy will always be to maintain an annual surplus of, say, Rs 10 to 20 lakhs, and, so far as we can see at present, it is unlikely that we shall ever have to borrow for current expenses

If we borrow at all, it will be to create property, to build up assets which will bring dividends, and increase the non tax revenues of the State Productive works of this kind, chiefly railways and irrigation works, are constructed exclusively out of loan funds in British India We have to consider if it will not be expedient in this State also to employ loan funds more largely than we have done in recent years for the execution of such works. To construct the works from loan funds would be quite in accordance with approved principles of public finance and the practice of civilised countries If financed solely from current savings, works of this class cannot be carried out rapidly Besides, it is unfair to the present generation that they should be made to pay for assets the benefits of which will accrue, even in a larger measure, to their successors

20 Up to the end of last year Government have invested on productive railway, irrigation and other works not less than Rs 504 lakhs Towards this outlay, loan funds provided Rs 200 lakhs, that is, Rs 180 lakhs for railway construction and Rs 20 lakhs for the Cauvery

Power Scheme For the repayment, sinking funds have been created from current revenues and the balances to the credit of these funds on 1st July 1915, stood at about Rs 90 lakhs and Rs 12 lakhs respectively Government have thus got, in their railway, irrigation and power supply works, unencumbered assets worth Rs 406 lakhs created out of current revenues Of this amount, assets worth Rs 150 lakhs have been built up, as already stated, within the past three or four years

21 If we should decide to borrow, as we well may in view of the considerations above set forth, we may either raise a loan from the public or draw upon the deposits with Government, which at present amount to over Rs 2 crores The latter course will mean that instead of investing the deposits in foreign banks, or in Government of India securities, we will be utilising a safe portion of them on productive works within the country itself, to the great advantage of both the people and Government

22 But the question is not free from difficulties, not the least of which is the sinister association attached to borrowing in the popular mind His Highness Government are giving careful consideration to the matter, and you may rely upon it that the decision taken will be in conformity with the permanent interests of the State and the best informed opinion on the subject

Account Department

23 The gazetted staff of the Account Department was strengthened by the addition of two officers for the growing work in the Public Works and Railway Branches The appointment of a Commercial Auditor was sanctioned for the audit of commercial concerns in which Government are interested and also of Government concerns in which accounts are kept on a commercial basis

The Mysore Bank

24 In spite of the war, the Bank of Mysore had a satisfactory year The deposits of the public with the Bank rose from about Rs 6,90,000 on the 1st July 1914, to over Rs 20,32,000 on the 1st July 1915 The total transactions which amounted to Rs 26 lakhs on 1st July 1914, stood at over Rs 41 lakhs on 1st July 1915, and a net profit of Rs 1,10,000 was realised during the year

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4 —Revenue Department.

25 During last year's session of this Assembly, the defective character of the law relating to the rights and responsibilities of holders of inam villages and their tenants was brought to the notice of Government Legislation has been undertaken authorising the introduction of survey and settlement into inam villages, if not less than three-fourths of the co sharers agree to the measure But as this will only partially solve the difficulties pointed out, Government have appointed a committee of officers and non-official gentlemen to consider the whole question and their recommendations will, it is hoped, enable Government to settle this vexed question in a satisfactory manner

In December 1914, Government sanctioned a scheme for the creation of large landed estates, and details of blocks of lands available for the purpose in each district have been published for general information

Survey and Settlement

26 Revision settlement was introduced in the Tirthahalli Taluk of the Shimoga District The average dry rate was unaffected by the revision, but the wet rate was increased by 12 per cent, and the garden rate was reduced by 8 per cent The net result for the entire tract was an increase of 4 42 per cent over the revenue collected in 1909 10 Proposals for the revision settlement of the Maddagiri and Belur Taluks are under consideration

Excise

27 The Excise revenue contiuues to increase The gross receipts during 1914 15 amounted to Rs 58,33,170 against Rs 55,23,999 in 1913-14, giving an increase of more than 3 lakhs over the previous year's figure, which itself constituted a record at the time The consumption of arrack, foreign liquor and ganja has declined during the year, and that of toddy and opium shows only an insignificant increase Country beer is the only article in the consumption of which there has been some increase

28 In connection with the expansion of the Excise revenue, some unfavourable criticism has been levelled against the policy of Government But two important circumstances have to be borne in mind in this connection The first is that the increased revenue has not been accompanied by a proportionate increase in consumption The revenue has increased since 1911-12

by 28 per cent, while the incidence of consumption of arrack per head of population, which stood at 3 5 drams in 1911-12 has actually gone down to 3 3 drams in 1914 15 Again, Government have steadily pursued measures calculated to check consumption as far as possible The duty on arrack has been raised from Rs 4-12-0 to Rs 5-4-0 per gallon at which it stands at present, and its strength has been reduced from 20° to 25° u p A further reduction in strength is under consideration The tree-tax has been raised to Rs 2 in the case of date trees, and to Rs 3 in the case of cocoanut trees Ganja now pays a duty of Rs 12-8-0 per seer During the last ten years about 900 shops have been closed and a commencement has been made in restricting the hours of sale in the shops

Forest Department.

29 One outstanding feature of the working of the Forest Department during the year was the large reduction in the revenue from sandalwood owing to the dislocation of the European market The quantity offered for sale was reduced to 1,314 tons, of which less than a third was sold for Rs 3,42,258 leaving about 946½ tons unsold The total revenue of the department under all heads was Rs 22,22,320 as against Rs 32 71 336 in the previous year, and the expenditure was Rs 9,60,449

Some activity was displayed in the economic exploitation of our forest resources during the year A large quantity of sleepers required for the State railways now under construction was prepared by the department The officers placed on special duty for taking stock of the available raw material for the manufacture of paper pulp and matches have completed their investigations The possibilities of supplying charcoal on a large scale for iron smelting from the Shimoga and Kadur forests were examined, and experiments were conducted to ascertain the comparative results of preparing charcoal by the Brisbane retort and the methods now in vogue

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5 —Protection

Judicial Department

30 The abolition of the Munsiff's Court at Yeda halli (now Narasimharajapura) had led to some inconveni

ence and there were persistent representations for its revival Government have therefore sanctioned the re-establishment of the Court with effect from the 1st July 1915 An additional Munsiff has been posted to Tumkur since 24th May 1915 Sanction has been given to the formation of Bench Magistrates' Courts at Tumkur, Chikmagalur, Hassan and Shimoga The scale of pay of the establishments of Civil Courts has been revised and the prospects of the subordinates have been improved, at an additional annual expenditure of over Rs 23,000

Police Department

31 The sanctioned strength of the permanent force on the 30th June 1915 was 865 officers and 5,177 men. There was an increase in the less important class of offences, but the state of crime during the year was mostly normal The Police Training School was re organised during the year and a wholetime Principal and an additional Inspector were appointed Provision has been made for a shooting range and other essential equipment

Military

32 The pay and status of the Infantry officers and men have been improved by the scheme for revision sanctioned by Government in August 1914

Medical and Public Health Departments

33 The Maternity at Robertsonpet referred to in some of the previous Addresses was opened on 7th October 1914 The Female Dispensary at Champion Reefs was at first absorbed in the new institution but as its abolition was represented to be attended with inconvenience, the dispensary was re opened on 4th March 1915 In order to meet the difficulty hitherto experienced in obtaining qualified candidates for the subordinate women medical service, more liberal stipends and salaries have been sanctioned The school for the training of Sanitary Inspectors has been re opened and will be maintained for a period of three years

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6 —Progress, Moral and Material

34 I now propose to deal with the activities of the State under Education, Agriculture, Industries and Commerce and Co-operation

Education

Primary Education

35 Under the new scheme for opening more village elementary schools with the aid of the people, by offering

a Government contribution of half the cost of each school, 1,100 grant-in-aid schools have been started, the liability incurred by Government being an annual maximum recurring charge of Rs 84,000 An additional provision of Rs 84,000 has been made in this year's budget for opening 1,000 more aided schools One hundred and thirty new Government schools have been sanctioned at a recurring cost of Rs 22,878 and also improvements to existing schools at a cost of Rs 52,787 The scale of pay of village schoolmasters was revised at a cost of Rs 84,000 With a view to encourage the study of English in rural areas, the rate of contribution, payable by the villagers concerned, for village English schools was reduced One hundred adult night schools were sanctioned though many of them could not be opened before the close of the year A sum of 1½ lakhs of rupees was allotted for new village school buildings The experiment of making itinerant teachers go round small villages situated close together to impart elementary instruction at intervals, is being tried in the taluks of Bangalore, Mysore and Tumkur

Compulsory Education

36 The scheme for the introduction of compulsory education in selected centres has had a modest start Out of 16,000 children of the "compulsory" age in the areas in question, 10,800 were attending school and facilities have been afforded for the education of about 1,200 more It has been decided to extend the scheme to 12 new centres

Secondary and Practical Education

37 Sanction has been accorded to the establishment of three Kannada High or Upper Secondary schools for boys, at Dodballapur, Hole Narsipur and Tirthahalli, and two for girls at Tumkur and Bangalore

A scheme has been sanctioned with the object of making vocational courses part of the secondary school curriculum, so as to give a more practical direction to education imparted in towns and villages Forty centres have been selected and work has been started in a few schools The department hopes to make substantial progress in the current year

Collegiate Education

38 There was an increase in the number of candidates that graduated both from the Central College and the Maharaja s College, but the number is inadequate for the requirements of the State

Female Education

39 Female education is also making fair progress The year's list of successful candidates for the public examinations included the names of two ladies who took the

B A degree The improvements in the Maharani's College and other institutions for the education of girls referred to in the last year's address have been carried out. A special provision of Rs 7,000 has been made for the grant of scholarships and school-books to deserving girls in all the taluk and district schools

Technical Education

40 A scheme for opening industrial schools at all the district head quarter towns and for improving existing ones is under the consideration of Government The Mechanical Engineering School at Bangalore and the Chamarajendra Technical Institute at Mysore have been doing useful work A qualified Superintendent from England has just been appointed to take charge of the latter school

Commercial Education

41 Classes for the advanced or higher courses have been opened in the Bangalore Commercial School A vernacular section has been organized in which instruction is given in the indigenous system of accounts, elements of banking, commercial geography, etc , through the medium of Kannada

Normal Training

42 The improved arrangements for the normal training of teachers explained in the last year s address were given effect to The Normal Schools now working provide for the training of 500 teachers in all The vacation classes held during last summer were attended by 120 teachers

43 Owing to the large increase in the number of schools, the Inspectorate has been strengthened by the addition of 12 officers An additional European Assistant Inspectress has been appointed for girls' schools A scheme for the grant of foreign scholarships was sanctioned during the year Eleven scholarships were awarded for the study of various technical subjects, such as paper manufacture, banking, systems of education, organic chemistry, mechanical engineering and actuarial science

44 There has been an increase of expenditure on education of over three lakhs of rupees during the past three years The total number of public and private institutions during these years has increased from 4,568 to 6,131 and their strength from 156,440 to 217,717 Of the total number of pupils in 1914-15, 179,866 were boys and 37,846 were girls The corresponding figures in 1912 13 were 129,000 and 27,431, respectively The percentage of male scholars to male population of school going age was

29 8 in 1912-13 It rose to 35 7 in 1913-14 and to 41 6 in 1914-15 The percentage of female scholars to female population of school-going age which stood at 6 4 in 1912-13 rose to 7 9 in 1913-14 and to 8 9 in 1914-15 The percentages of the total number of pupils under instruction to the total population of school going age during the three years 1912-13, 1913-14 and 1914-15 were, respectively, 18 0, 21 19 and 25 4

The progress indicated by these figures is not confined to the lower grades of education only The number of pupils receiving collegiate education during the three years in question rose from 619 to 930 and of those receiving secondary education from 41,481 to 46,855 As regards distribution of schools, while on an average there was, in the year 1913 14, one public school for every 10 square miles, the area was reduced to 7 square miles, and including both public and private schools, to 5 square miles in 1914-15

45 One of the most hopeful features in the situation is that the people are fully alive to the advantages of education and are evincing keen interest by coming forward with liberal contributions for maintaining teachers and constructing school houses

The proposed Mysore University

46 His Highness' Government fully recognise that the educational system will be seriously defective without a local University, and necessary steps are being taken to prepare a working scheme Government hope to be able to place the scheme before the public before very long

Department of Agriculture

47 The experimental and scientific work done by the department included further investigations into sandal spike and green bug on coffee Implements were sold during the year of the value of Rs 16,626 against Rs 12,022 in the previous year A large number of requisitions could not be complied with owing to the delay in the arrival of ploughs from abroad, and the question of making arrangements for their manufacture in the local P W Workshop is under consideration

Department of Industries and Commerce

48 The work of the department was somewhat hampered owing to the difficulty of getting machinery and dyes from abroad

At the beginning of the year, 26 pumping and other plants were at work and 13 plants under erection Thirty-two installations have been taken in hand The

Director has stated in his annual report that during the last 2½ years since this work was started, 71 installations have come into existence costing about 4½ lakhs of rupees and yielding probably a lakh of rupees a year as direct profit to their owners, and that, though, having regard to the area of the State and its population, the results may not be considered very remarkable, they afford evidence of some enterprise and of an increasing eagerness on the part of the people to adopt labour saving appliances Ten loans amounting to Rs 43,750, and 16 hire purchases amounting to Rs 41,480, were sanctioned, and a total sum of Rs 13,281 was recovered on account of repayments

A local syndicate at Tirthahalli has undertaken to construct a tile factory and the buildings and plant are in course of erection Companies have also been formed at Channapatna and Tumkur for starting tile factories

As the outbreak of the war had greatly reduced the demand for sandalwood, investigations were made into the possibilities of manufacturing oil on a profitable scale within the State The result of the enquiries made in England having been satisfactory, it is intended to open a small experimental factory at a cost of about one lakh of rupees for sandalwood oil distillation

Co-operative Societies

49 The co-operative movement in the State showed steady and continuous progress During the year the number of societies rose from 530 to 725, the membership from 40,479 to 53,267, the working capital from Rs 21,47,340 to Rs 30,85,747, and the reserve fund from Rs 56,238 to Rs 96,669 The net profit earned is calculated at Rs 1,61,521 and the saving in interest at Rs 3,00,000 In the *malnad* also, there was a satisfactory increase in the number of societies, namely, from 50 to 90 The staff of the department has been considerably strengthened and it has therefore been possible to devote greater attention to the consolidation of the work of the societies

One general Co operative Conference, opened by the Yuvaraja of Mysore, and seventeen District and Taluk Conferences, were held during the year It is difficult to over estimate their value as an agent for educating the public in co-operative matters The present year's State Conference which, as you are aware, held its sittings in this City between the 10th and 13th of this

month, was graciously opened, as on former occasions, by the Yuvaraja, and was presided over by the Hon'ble Mr Lallubhai Samaldas Mehta of Bombay

Economic Conference

50 I explained to you at some length last year the objects of the Conference and the need for expenditure in preparing the people for economic progress The cost of the Conference now amounts to nearly two lakhs of rupees a year Though the Committees were not able to complete many schemes of a constructive character during the year, steady progress has been made in the investigation of a large number of subjects of economic interest and in the collection of useful information The Conference held its annual session between the 21st and 26th June last and the proceedings of that assembly have been already published

During the year, the Standing Committee met twice and the three Central Committees of Education, Agriculture, and Industries and Commerce, ten, eleven and nine times, respectively Since the last session of the Conference, the Standing Committee and all the Central Committees are having monthly meetings on the same day The enlarged Standing Committee, comprising all the three Committees, meets for about an hour with a view to take stock of progress and to ensure greater harmony and co operation between all workers and all branches of the organization At the Standing Committee meetings, the Chairmen of Committees explain the progress made on the subjects included in the programme and the plans of the Committees as regards work in the succeeding months

51 The District Economic Superintendents, three of whom were appointed from non officials have proved themselves of great help to the Deputy Commissioners in work connected with economic improvement Once in two months they meet the heads of departments concerned and the Secretaries of the Conference and the Committees, and in this way form a useful link between the work of the central bodies on the one hand and that of the local District and Taluk Progress Committees on the other

52 The rules regarding the constitution and working of the Taluk and Town Progress Committees were revised during the year The new rules are expected to make the work of these bodies more efficient In accordance with the resolutions of the Conference, the

Mysore Economic Journal was started in January 1915, for spreading useful information on economic subjects

Education Committee

53 The most important subjects considered during the year were the providing of further facilities for the education of the masses, the establishment of rural libraries, the training of teachers, the introduction of physical education and the employment of itinerant teachers for imparting education in villages too small to have schools of their own A system of lectures for the education of adults was instituted and four travelling lecturers have been appointed The Committee have organized Public Libraries in the cities of Bangalore and Mysore A Conference was held under the auspices of the Committee to discuss the best methods of improving the Kannada language and literature It was presided over by Rajamantrapravina Mr H V Nanjundayya, C I E, and was attended also by delegates from the Madras and Bombay Presidencies

Agricultural Committee

54 The improvement of the sericultural industry engaged much of the attention of this Committee In accordance with a scheme for dairy farming prepared by the Committee, a private dairy has been established at Bangalore for which a loan of Rs 10,000 has been granted by Government The Committee issued 20 English and 20 Kannada publications on various subjects The Mysore Silk Association carried on experiments in throwing and preparing silk for the loom and is training boys and girls in these processes

Industries and Commerce Committee

55 Investigations were made in regard to the manufacture of matches, pencils, paper and soap and the establishment of a cotton mill

With the object of ascertaining the subsidiary occupations which people in the State usually follow, and the scope which exists for their improvement, an officer was deputed for a survey of the various kinds of home industries and occupations in the cities of Bangalore and Mysore His report has just been published

Besides the establishment and promotion of industries, the Committee have investigated other questions intimately connected with the economic welfare of the people, such as the inauguration of a scheme of Life Insurance managed by the State and the opening of Village Savings Banks They have also prepared schemes for offering facilities to merchants to travel abroad and for the appointment of commercial correspondents for the development of trade

7.—Technical Departments.

Public Works.

56 The total expenditure on Public Works from all sources, including Local Funds, amounted to about Rs 70¼ lakhs against Rs 57½ lakhs in the preceding year Of this amount, Rs 39 lakhs were spent on Irrigation works and Rs 31¼ lakhs on Civil Works and Military Buildings

57 Satisfactory progress has been made in the construction of the Cauvery Reservoir at Kannambadi The dam has risen to a height of 51 50 feet in the river bed and 55 to 74 feet at the flanks With the aid of scouring sluices fixed in the dam, the discharge in the river, except during high floods, can be regulated according to requirements The storage thus far secured will enable us not only to guarantee water to the existing power supply to the Kolar Gold Mines up to 9,321 H P , but to provide, according to the new agreement with the Mining Companies, additional power to the extent of 5,000 H P The outlay on the construction of the dam during the year was Rs 26,92,000, bringing the total expenditure up to the end of June 1915 to Rs 71,45,000 A scheme for the generation of electric power, by utilising the head available in the reservoir, is under consideration *Storage Works*

Fair progress has also been made with the channel works undertaken for resettling the raiyats drowned out by the reservoir Water was supplied for the irrigation of about 2,500 acres of new land under the Hemagiri and Mandagere channels as also for some distance down the Chamaraj South Bank Channel and the two low level canals The expenditure on these channel works amounted to Rs 5,39,000 Proposals for the extension of sugar cane cultivation under existing channels are being matured

The award of the Arbitration Committee appointed for settling the differences between the Government of Madras and this Government regarding the storage of the Cauvery waters is still under the consideration of the Government of India

58 The results of the block system of irrigation introduced in connection with the Marikanve reservoir have so far proved encouraging The area irrigated and the demand for irrigable land and canal water have been steadily increasing There is also a noticeable improve- *Irrigation Improvements*

ment in the health of the canal villages To facilitate the smooth working of the system, the rules have been revised in the light of recent experience The canal area has begun to attract settlers from outside

Minor Tanks

59 The question of the restoration and proper maintenance of minor tanks, on which the prosperity of the ryots so largely depends, was fully discussed at the last session of this Assembly As a result the old rules were revised, offering more liberal concessions than before, and additional *Maramat* establishment was sanctioned Government trust that, with these facilities, the ryots will take more interest in the restoration of their tanks than they have evinced hitherto and enable the Deputy Commissioners to show greater progress in future

Buildings

60 The principal civil buildings under construction during the year were additions to the New Palace, improvements at the north and south gates of the Fort, the General Hospital and the Chamarajendra Technical Institute at Mysore, the extension of the Public Offices and the Public Works Workshop and Stores at Bangalore, and new Taluk Cutcherries at Sidlaghatta and Honnali The construction of a travellers' bungalow and of quarters for Indian guests and the Representative Assembly members at Mysore, and of a large block for the Mechanical Engineering School at Bangalore and a new Taluk Cutcherry at Chickmagalur, were some of the other important works started during the year

Miscellaneous public improvements

61 The principal items of work under this head consisted of the construction of roads and drains in the Extensions, and improvements to the Cubbon Park, in the Bangalore City, the roofing in of the water service reservoir on the Kolar Gold Fields, the installation of a Jewell-Filter for improving the water supply of the Mysore City, the new water supply installations for the towns of Nanjangud and Davangere and certain improvements in connection with the Ghati Subramanyaswami temple in the Dodballapur Taluk

Time scale for Engineer officers

62 To improve the prospects of Engineer officers, a new time scale of pay has been introduced with effect from 1st July of this year, in supersession of the one sanctioned in 1909 The recruitment to the Sub Assistant Engineer class will be confined to graduates of distinction The number of Executive Engineers has been increased from 10 to 14 on account of the increase of divisional charges

Electrical Department

63 The Fourth Installation works which were undertaken to generate additional power to be supplied to the Mining Companies, were completed during the year and the machinery came into operation even before the date stipulated for the additional supply

The capital outlay on the Cauvery Power Scheme during the year amounted to Rs 28,000, and the total outlay to the end of June 1915 aggregated Rs 84,88,053 exclusive of the expenditure of Rs 18,72,350 incurred on the Fourth Installation works The gross earnings during the year from the Cauvery Power Scheme amounted to Rs 18,72,350 against Rs 17,03,888 during the previous year, showing an increase of Rs 1,68,462 which was due to an increase in the power supply to the mines The working expenses amounted to Rs 7,05,889 including a sum of Rs 2,94,887 set apart for depreciation, and Rs 37 762 spent in connection with the channels conservancy operations The net profit, after deducting the interest charges of Rs 2,78,598 at 4 per cent on the capital outlay of Rs 84,88,053, was Rs 8,73,857, which represents a return of 10 29 per cent on the total capital expenditure

The rates for the supply of electric power to small consumers were further reduced in Bangalore and Mysore as a temporary measure for encouraging the growth of minor industries

Bangalore Tramways

64 Government regret that the project for constructing an Electric Tramway Service in Bangalore has, after many vicissitudes, been again held in abeyance owing to the difficulty of getting the required materials at reasonable rates on account of the war

Railway Department

State lines worked by the Madras and Southern Mahratta Railway Company

65 The year's results of the working of the State lines by the Madras and Southern Mahratta Railway Company show gross earnings amounting to Rs 36,09,078 which is about 3 Rs lakhs less than in the previous year The decrease is mainly due to smaller movements of food grains, raw cotton and oil seeds and to a general falling off under coaching, due to war conditions The expenses amounted to Rs 20,36,742 or about Rs 2 lakhs less than in 1913 14 and the net earnings to Rs 14,98,355 The percentage of return on the total capital outlay of Rs 2,58,03,840 works out to 5 81 After deducting from the net earnings the interest on the ster

ling loan of £1,200,000, the actual realisation from these lines amounted to Rs 7,78,561, and this gives a net return of 3 per cent on the outlay A portion of this return is, however, being spent annually on the Railway itself, that is, on improvements to the open lines worked by the Company

Lines constructed and worked by State Agency

66 Fair progress was made on the Mysore-Arsikere Railway which, it is expected, will be opened for traffic about the close of the year 1915-16 The Kolar-Srinivaspur section of the Kolar-Chickballapur loop is likely to be ready for traffic about December next Work on the Lakvalli-Narasimharajapura Tramway is in progress, and the line will be placed on a proper working basis during the current official year

Surveys for the feeder railways in the Shimoga District were begun during the year The projects for the Hassan-Chickmagalur, Chickmagalur-Kadur, and Chickjajur-Chitaldrug lines are still under consideration

67 The Kolar District Board Railway between Bowringpet and Kolar, the Yelahanka-Devanhalli section of the Bangalore Chickballapur Light Railway and the Tarikere-Lakvalli section of the Tarikere-Narasimharajapura Tramway were working at the close of the year The section between Devanhalli and Chickballapur of the Bangalore Chickballapur Light Railway, has also since been opened for traffic

New Railways

68 Among other lines under investigation by His Highness' Government may be mentioned the Bangalore-Hosur connection to link up with the Morappur Hosur line and the Mysore Coorg connection for which preliminary surveys have been sanctioned

Nanjangud-Erode Link

69 For a satisfactory development of the trade and commerce of the State, two main arterial connections are of vital importance The metre gauge system in the State now terminates at Nanjangud and unless it is continued and connected with the same system in south India at a point near Erode, the Mysore railway system will remain incomplete This question, which is of over thirty years' standing, is again under correspondence with the Government of India

Connection to the West Coast

A railway line is also urgently needed to connect the State railway system with a suitable port on the West Coast A project for a line from Arsikere to Mangalore, *via* Hassan, has long been under consideration and His Highness' Government were at one time very

keen about it But fuller enquiries have damped our enthusiasm and we have had to reconsider our attitude

In the first place, the port of Mangalore is not open to shipping for at least three months in the year and what the permanent interests of the State require is a port which would be open throughout the year In the second place, the original project was for a narrow gauge line and, as our trunk lines are all on the metre gauge, its construction would have involved a break of gauge A metre gauge connection to the west coast down the Manjarabad ghat would cost the State over a crore of rupees and, in view of the altered conditions due to the war, we cannot afford this outlay The narrow gauge line would not have answered the wants of our State because, at the Mysore end, there would have been a break of gauge and, at the west coast end, an unsatisfactory port I have no doubt any one who thoroughly examines the conditions and resources of the country will uphold the soundness of the final decision arrived at by the Durbar

Investigations are on foot for an alternative line ending in a more satisfactory port We have been in search of a connection to the west coast for over 30 years, and even now our ability to construct one will depend, in a large measure, on the state of our resources in the near future

70 I cannot conclude this portion of the address without referring to the services rendered by Mr E A S Bell, late Engineer in-Chief and Secretary for Railways, to His Highness Government Mr Bell had to organise and train a new staff and his high professional ability was of great advantage to the State in the economical construction of the new lines His services were recalled in June last but we are grateful to the Government of India for lending us the services of another high officer in his place

Department of Mines and Geology

71 The number of leases and licenses current during the year was 142 as against 184 in 1913 14 The output of gold from the Kolar Mines amounted to 568,847 ozs of an approximate value of Rs 327 lakhs, showing an increase in output of 9,015 ozs valued at Rs 3,22,785 over the results of the previous year The royalty expected for the year is Rs 18,95,740 against Rs 18,95 018 in 1913 14

74 As stated in my Address last year, a scheme of work has been laid down for the department for the next three years, and additional establishment has been temporarily sanctioned in order that the programme may be carried out The revision of the *Mysore Gazetteer*, which has been undertaken by this department, has made fair progress *Archæological Department*

75 The question of improving the hill stations in the State has engaged the consideration of Government, and it has been decided that a beginning should be made with Nandidroog The bungalows on the hill have been renovated and several conveniences have been provided for visitors This hill possesses unique advantages of scenery and climate and it is to be hoped that the measures taken, synchronising as they do with the advent of the railway to the neighbourhood, will serve to revive the popularity which the place enjoyed in the days of the British Commission The other hill stations, which will probably be taken up for improvement as funds become available, will be the Chamundi Hill near Mysore, the Devaroydrug near Tumkur, and Kalhathigiri on the Bababudans *Hill Stations*

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9 —Local Self-Government

76 The number of Municipalities at the end of June 1915 was 89, of which 36 were governed by the Municipal Regulation The income of all Municipalities in the State during the year amounted to Rs 10,80,920, and the expenditure to Rs 9,98,136 Including previous accumulations, there was a balance of Rs 10,65,432 at the end of the year in favour of the Municipalities *Municipalities*

The Mysore Municipal Regulation was amended, so as to empower Municipalities, amongst other things, to raise loans, with the sanction of Government, for constructing works of a permanent nature

The Bangalore City Improvement Committee, the formation of which was referred to in my last Address, submitted a preliminary report dealing with the more urgent requirements of the City Government have recently passed orders approving generally of the Committee's proposals, and agreeing as funds become available to

bear a substantial share of the cost of the improvements, if the Municipal Council are prepared to bear the remainder

Government have also sanctioned certain proposals of the Mysore Improvement Trust Board for improvements to the Mysore City The proposals include extensions to the Devaraj Market, re laying the market square, construction of a new Municipal office and a scheme for housing the poor In view of the increase in the number of works to be undertaken, the grant to the Trust Board has been temporarily raised to 3½ lakhs per annum

District Boards

77 The receipts under District Funds amounted to Rs 13,23,503 and the expenditure to Rs 11,18,846 The income and expenditure under Local Funds General were Rs 2,06,470 and Rs 1,58,400, respectively In exercise of the power recently conferred on District Boards, a Railway cess was for the first time levied in the Kolar District which yielded a revenue of over Rs 47,000 The District Boards of Tumkur and Chitaldrug have been authorised to collect a similar cess in their districts from 1st July last The District Board of Shimoga are raising funds for the construction of railways in the interior of that district

Reforms in Local Self-Government

78 The question of introducing reforms in Local Self-Government in municipal and rural areas with a view to placing it on a more popular basis has been the subject of earnest consideration for some time past To examine the subject from various points of view, Government appointed two Committees, one presided over by Mr M Kantaraj Urs, C S I, to deal with the constitution and functions of local bodies, and the other with Rajamantra Pravina Mr C Srinivasiengar, as Chairman, to consider the question of the improvement of their financial resources The reports of the two Committees have been published for general information Their recommendations were also discussed at the Local Boards and Municipal Conference held in Mysore in June last, under the presidency of Mr K P Puttanna Chetty It is worthy of note that this Conference owed its origin and success chiefly to non-official initiative

It is generally admitted that Local Self Government in Mysore has not progressed satisfactorily and that local bodies are not playing their legitimate *rôle* in the administration of the country The apathy displayed by these bodies is attributed chiefly to a deficiency in the elected popular element and to the want of reasonable

powers of control over their own funds His Highness' Government have therefore come to the conclusion that steps should be taken to associate the representatives of the people more largely with the administration of local affairs

79 The main lines on which Government propose to take action may be briefly referred to here

In regard to Municipal Councils it is proposed to constitute three classes of Municipalities *viz*, 'City,' 'Town' and 'Minor', on the basis of population The elected element will be not less than two thirds in City, half in Town, and one third in Minor Municipalities Presidents in selected cases, and Vice-Presidents more largely than now, may be elected in City and Town Municipal Councils Larger powers will be conceded to the Councils as regards establishments, works and budget The scrutiny of Government over budgets will be limited to a few specified points The effect of these changes will be to increase very largely the popular character of the Councils and the powers they can exercise within their areas

As regards the constitution of the District and other rural Boards, the proportion of the elected element will be raised to at least two thirds in the case of District Boards, and at least half in the case of Taluk Boards and Unions It is proposed to sanction, with some modifications, the recommendations of the Local Self Government Committee that the Taluk Boards and Unions should not be merely the agents of District Boards but should have a real corporate existence, independent funds and budget, and should be able to exercise within their own jurisdiction all the functions of the District Board The powers of rural bodies with regard to establishment and budget will also be increased

An important change is contemplated regarding the enlargement of the functions of these bodies It is proposed to transfer tentatively the control over primary education, medical relief and veterinary dispensaries to selected local bodies and to invest the District and Taluk Boards with power to pass and submit resolutions for the consideration of Government in matters, which, though not coming within the sphere of their ordinary duties, relate to local wants and grievances and the administration of the district or taluk generally

The chief difficulty which hampers the progress of Local Bodies is the general unsatisfactory condition of

their finances The Local Finance Committee which dealt with this question has recommended that the Local Funds General and the Village School Fund should be abolished as distinct funds and made over to Local Boards and that the mohatarfa now credited to State Funds should also be assigned to Local Bodies In addition to the assignment of these revenues, they were in favour of large grants-in-aid from Government These recommendations involve considerable expenditure from State revenues and require further consideration before Government are able to accept them

80 I have outlined a few of the salient features of the proposals which have tentatively commended themselves to Government, with a view to obtain the opinion of this Assembly in case the members desire to offer any suggestions

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10 —Efficiency of the Administration

Efficiency Audit

81 The efficiency audit staff of the General Secretariat continued to devote attention to questions connected with the efficiency of the services A further development in the lines of work has been lately sanctioned by making the services of the staff available to Heads of Departments and Deputy Commissioners for the investigation of irregularities, etc , in Government departments and offices

Efficiency of Departments and Offices

82 Several measures have been undertaken for ensuring system and regularity in the various branches of the administration As stated already, greater uniformity is being introduced in the work of the Secretariats The departments are being re-organised and establishments revised, one by one, with a view to placing their working on an up to date basis A set of sample rules has been issued in order to standardise office methods, and in the case of the larger offices requiring more elaborate instructions, the rules have been expanded into office manuals Eight of these manuals have been recently prepared Rules have been framed to secure prompt consideration of petitions, and the question of introducing a new system of correspondence and record arrangement in Government offices with a view to greater celerity and orderliness in

the disposal of public business is engaging the consideration of Government The systematic inspection of all offices at periodical intervals has been arranged for, and returns of business statistics have been prescribed in order that the state of inspection and office work of Heads of Departments and Deputy Commissioners may come to the notice of Government

Personnel

83 The question of the personnel of the services also received considerable attention during the year Certain suggestions indicating the standards of efficiency and conduct to which Government officers are expected to conform have been issued, and it is hoped that compliance with them, which is at present largely a matter of discipline, will soon become one of habit A new system of qualification reports has been instituted in order to enable Government to obtain, from time to time, more detailed information than hat been hitherto available regarding the work and capacity of the several officers A scheme for encouraging officers to visit foreign countries has been lately sanctioned

The Civil Service

84 The second examination under the new Civil Service Scheme will be held in November next There were 45 applicants of whom 27 have been admitted to the examination Orders have been recently passed with a view to rendering the training of Probationary Assistant Commissioners more practical

Recruitment and Training of Officials

85 The rules governing the recruitment and promotion of subordinate officials have also been examined, and it is under contemplation to introduce some changes calculated to afford greater encouragement to men of high educational attainments and to eliminate irregularities in the exercise of patronage No system of recruitment can be deemed sound unless it gives preference to merit rather than to seniority, and secures a fair representation of all communities, as far as possible, in the public service The question of giving systematic training to subordinate officials in the technique and principles of their work and in the elements of public administration, is also engaging attention

District Administration

86 With a view to ensure efficiency in the District administration, and to take stock of progress made in the various special schemes, tours have been undertaken by the Members of Council and the Dewan, and during the year, 51 taluks and 5 sub taluks were visited The important wants and grievances of taluks have been catalogued, in order that continuous attention may be bestowed upon them both by officers of Government and the people

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Hand books.

87 In addition to compilations of departmental interest, hand-books of general information have been prepared for all the districts and, with the exception of those for Kadur and Chitaldrug, have also been printed. Several Taluk hand books have been completed Booklets giving essential facts have been published in respect of nearly twenty Municipal towns Compilations of this character will be useful to officials as well as the non-official public, and are intended to help people to think in definite figures instead of in vague generalities, when questions connected with improvements and expenditure come up for consideration

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11 —Development and other Special Schemes.

88 In describing the operations of the several departments, I have already dealt with some of the special measures undertaken by Government It might probably be an advantage to give here a perspective view of what is being done in two important directions, *viz*, the development of the natural resources of the country and the improvement of the efficiency of the people

Development of Natural Resources

Roads.

89 Taking communications first, we have at present a road mileage of one mile for every 1,047 inhabitants and one mile per 5 5 square miles of country Very few new roads have been constructed in recent years and more road mileage is needed in many tracts, but the work is retarded because District Boards have not the wherewithal to provide for the high cost of maintenance

Railways

90 Owing to the cessation of all Railway activity for over twelve years, the State lagged behind the rest of India in railway development Till 1912, the progress on rail road construction was 1 mile for every 12,554 inhabitants while the corresponding figure for all India was 1 mile per 8,873 A Railway Construction Department was organised in 1912, and since then project estimates amounting to Rs 96 lakhs have been sanctioned I have already referred to the progress made in the construction of each of these projects The system of levying a railway cess has greatly facilitated the construction of feeder railways If the people of the districts who appear to be keen on railways raise the necessary capital locally, as

some of them have already done, in addition to paying a cess, an ideal state of things will have been brought into existence for the extension of railways When the new lines are completed and brought into working order, our railway system, besides affording occupations to the people and bringing the local producer and the manufacturer into closer touch with the markets of the world, will also form a remunerative investment bringing a steady annual revenue to the State

Hydro Electric Power Works

91 There is increased demand for power supply and there is also scope for further extension of the Cauvery Power Scheme Alternative projects for increasing the power supply are under investigation

Cauvery Reservoir and irrigation in the Cauvery Valley.

92 The first stage of the Cauvery Reservoir is expected to be completed in 1916 17 The storage already secured is sufficient to guarantee the stipulated power supply to the mines and the works have begun to earn an enhanced revenue of Rs 6 to 8 lakhs per annum from July last The construction of subsidiary works, intended mainly to bring under command land meant to be given in exchange for the area submerged in the bed of the Reservoir, and to enable the drowned out raiyats to settle down in the neighbourhood of their old villages, has been sanctioned at an aggregate cost of about Rs 21½ lakhs The works will also afford irrigation facilities to a large extent of land, already under private holding, and are expected to prove remunerative to Government

Major and Minor Tanks

93 I have referred elsewhere to the revision of the rules for the restoration of minor tanks sanctioned during the year in accordance with the understanding arrived at in this Assembly last year The question of the restoration of the major tanks in the State is also receiving consideration In future, the selection of these tanks for restoration or repairs will be more systematic, and will depend on the relative importance of the tanks in point of revenue or their special value to the raiyats of the localities concerened

Another question requiring careful attention is as regards the measures necessary to make up for the loss in capacity due to the silting up of these reservoirs and to establish a closer correspondence between their capacity and the *atchkat* below It is not intended to undertake immediately an extensive survey all over the State but such of the tanks, particularly in the Kolar District, as may have failed to answer the requirements of cultivation will be examined and suitable remedies adopted

Development of Forest Resources

94. The normal forest revenue of the State may be taken at about Rs 22 lakhs though, in the years immediately preceding the war, a very much larger revenue was being realised owing to the exceptionally good prices secured for sandalwood We are advised that there are great possibilities of augmenting our forest revenues by developing communications and carrying operations into the interior of the forests. Lack of communications has been a great difficulty in working these forests on a commercial scale The construction of the Tarikere-Narasimharajapura Tramway is expected to greatly assist the department in exploiting forest areas hitherto untouched. The forest staff is being strengthened for the same purpose.

Development of Mineral Resources

95 Our mineral resources await exploitation There are possibilities in the iron deposits of the Bababudans and a profitable industry in iron and steel may be created if the problem of smelting iron ore with charcoal on a commercial scale is satisfactorily solved Government recently engaged the services of an expert, Mr C P. Perin, Consulting Engineer to the Tata Iron & Steel Company, to examine and report on the prospects of an iron and steel industry and though his detailed report has not yet been received, his general opinion is understood to be favourable

Improving the Efficiency of the People

96 The chief agency for the improvement of the people is education I have already dealt with this subject in another part of the Address His Highness the Maharaja is anxious for the more rapid spread of education and provision of increased facilities for elementary and higher professional training With the establishment of a University now under consideration, His Highness hopes to make the educational system in the State self-contained and better adapted to the needs of the country

The operations of the Economic Conference have already been described With the aid of this agency Government are doing all they can to spread sound and up-to date ideas about economic improvement in the country, to make the people think and act for themselves and to help private industrial activities in various ways

With a view to revive the old village communal spirit, schemes relating to Village Improvement, Minor Tanks, Rural Water-supply, Village Forests, Village Courts and Tank Panchayets, have been introduced

Village Improvement Scheme

97 Of these the one that is full of hopeful augories for the future is the Village Improvement Scheme During the two years it has been in operation, 7,745 Village Committees have been constituted for 13,360 villages or about 79 per cent of the total number of villages in the State In 2,966 villages, the Committees are reported to be holding weekly gatherings regularly for attending to works of improvement and sanitation in and around villages In 2,659 villages, newspapers are being subscribed for, and 2,039 Village Committees have been holding weekly meetings for disseminating useful information The value of works of permanent utility undertaken during the year is estimated at Rs 2 75 lakhs of which the villagers' voluntary contribution in cash or by labour amounted to Rs 1 5 lakhs, the balance being met by Government The actual amount spent by the Committees during the year 1914-15 amounted to about Rs 75,000

It is gratifying to note that the advantages of the scheme have been fully realised by the villagers who are co operating cordially with Government officers

98 The scheme may be said to have passed the experimental stage and it is necessary to consider on what lines its further development may best be attempted Some steps are necessary in the coming year to bring every village and hamlet in the State under the operations of the scheme Hitherto, the Committees have been working on a voluntary basis, but frequent representations have been made to Government officers that the provisions of the scheme may be placed on a statutory footing Perhaps it may not be desirable at this stage for Government to make the scheme compulsory for every village An alternative course would be to leave it to the villagers themselves to decide in favour of compulsion or otherwise Where not less than three fourths of the inhabitants of any village vote for such a step, the scheme may be made obligatory In that case the villagers should be given the option to contribute labour or pay a cess in lieu of personal service, the amount of the cess and the exemptions to be granted being settled by the Village Committee In every case the money collected will remain with the Committee and will be spent by them If there is sufficient support forthcoming from the public, Government will have no objection to undertake legislation on these or similar lines

Other Village Schemes

99 The other village schemes have only recently begun to work. One hundred and forty-three Village Courts have been established and many of them have begun to hear cases The number of Tank Panchayets constituted is 65 Proposals are being received for the formation of village forests and are under consideration A sum of rupees one lakh per annum has been set apart for an extensive programme of well works in villages, in addition to the amounts included for this purpose in the grant to the Village Improvement Scheme and the budgets of the District Boards

Town Planning

100 A sum of Rs 25,000 has been set apart in the current year's budget for town-planning work The necessity for a Town-Planning Bill has been urged for the consideration of Government

Malnad Improvement Scheme

101 The scheme inaugurated in February 1914 for the sanitary and economic improvement of the *malnad* portions of the districts of Shimoga, Kadur and Hassan was in operation during the year The measures, chiefly adopted on the recommendation of the Committees, related to the shifting of villages from insanitary areas, provision of increased medical and maternity facilities—such as free distribution of quinine, appointment of more midwives and establishment of female hospitals in selected central places, removal of rank vegetation in and round villages, provision of better drinking water, popularising vaccination and spreading elementary education by increasing the number of schools The Committees have yet to work out plans for increasing communications, for relieving agricultural indebtedness, for better drainage in villages and for providing more occupations to the people, such as minor industries connected with forest produce The problem of labour supply in the *malnad* is one of the most important subjects engaging the attention of the Committees The operations of the Committees were greatly hampered at the beginning by the difficulty and delay in finding suitable subordinate staff for the executive work of the improvement scheme

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12 —A Comparative View

102 From the list of measures of improvement and reform which I have just enumerated, many people in this country may perhaps be inclined to the view that

everything is all right with us, that we are attempting too much rather than too little and that there is small need for further effort But this is not so A closer view, you will see, reveals an unsatisfactory state of things.

The test of a country's condition must be based, after all, on its relative position with reference to more advanced countries in all the essentials that constitute progress Let us see how we stand under this test in a few respects

Taking education first, the literate population in Mysore numbered 6 per cent in 1911 It is perhaps 8 per cent now In progressive countries, the proportion is over 80 per cent

103 Occupation and production in the country are chiefly confined to the most primitive of professions in the world, *viz*, agriculture The total production in Mysore is valued at Rs 31 per head The corresponding figures for Canada and Australia are reported to be Rs 1,110 and Rs 621 respectively

Recently, the Bureau of Standards of the New York Board of Estimate found, upon enquiry, that the lowest yearly income upon which an unskilled labourer's family of five in that City can maintain a standard of living, consistent with American ideals was Rs 2,520 This is equivalent to Rs 504 per head or more than sixteen times the Mysore average

The figures available for our local trade show that the yearly exports and imports together amount to Rs 26 per head The corresponding figures for Canada and Australia are Rs 480 and Rs 495 respectively, that is, about eighteen times that of Mysore

We obtain nearly all the manufactured articles, which require science, skill and enterprise to produce, from foreign countries and pay for them by exporting from the country food and other raw products, in some years at the risk of underfeeding our local population

Neither the abundant natural resources of the country nor the vast stores of brain energy of the people are properly cultivated and utilised to increase production and wealth in the country

The country suffers from a low level of industry, a low level of education, a low standard of earning and living, a low capacity for co operation and low ideals of aspiration and effort generally There is no gainsaying the fact that a wide gulf divides us, from the more advanced people, in all that constitutes prosperity and enlightenment

104 The present low standard of living, as past experience has shown, is a source of danger It leaves no margin for bad times Our rainfall is so uncertain that a break in the monsoon, such as we experienced in August last, keeps our population in a state of anxious suspense A partial failure of rain is attended with much suffering and a severe drought may cause even loss of life The poorer classes who are sensitive to the calamities of the seasons require training in diligence and thrift By steady labour for three or four years, a working man can lay by enough money or grain, for himself and family, to tide over a couple of years of scarcity or distress There is abundant demand for well-paid labour in the country at present and no honest labourer has any excuse for neglecting such an insurance against a year of scarcity The people should get accustomed to work longer hours and take more largely to industries, manufactures and trade If these conditions are fulfilled, famines would be as rare in this land as they have become rare, on account of similar precautions, in European countries

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13 —Conclusion

105 I have placed the ideals of advanced countries before you, because it is safe for us to follow the well-trodden paths of people already in the van of progress It may be that, on account of climatic and other conditions, we shall never be able to reach their level of efficiency and prosperity But that is no reason why we should not strive for what is within our reach, namely, to raise our standards, and double or treble our earning capacity in the near future The very low level at which we stand is itself a measure of the opportunities before the country, and an augury that our efforts will meet with a speedy reward

106 Government are doing what little they can to promote the efficiency of the people, but their efforts will not avail much without an access of activity and enthusiasm on the part of the public themselves It is our hope that the more enlightened representatives of the people will study the situation, realise the seriousness of it and endeavour to co-operate with Government in the execution of the various measures of reform and progress to which we

have put our hand The co-operation is needed both from the official and the non-official public, and it should be co operation which suggests and asks for opportunities to make itself useful; instead of waiting for a call

107 It is pleasing to observe that the co-operation we need has also begun to come Last year, I acknowledged the services of about 60 members of this Assembly in connection with the village improvement scheme, and this year, it is my privilege to thank some 200 influential persons throughout the State, many of whom are members of this Assembly, for help rendered in connection with the Economic Conference movement After such a gratifying response, His Highness' Government have no doubt that, in the present and future years, more of this informal but invaluable assistance, will be forthcoming

108 Gentlemen, you will agree that this Address would be incomplete if I failed to voice the widespread feeling of regret which His Highness the Maharaja and his subjects feel at the approaching termination of the beneficent Viceroyalty of His Excellency Lord Hard nge His Excellency has been a sincere well wisher and a warm hearted friend in whose sympathy and sense of justice the Native States have learnt to place implicit confidence

Also, I know you will feel much regret if I re mind you that this will be perhaps the last occasion on which the Hon'ble Col Sir Hugh Daly, our Resident, will attend this function He came to us with a high reputa tion, and, during his term of office, the relations of the Durbar with the Residency have been exceedingly frank and cordial He has been a true friend of the State and has worthily maintained the highest traditions of British statesmanship He will carry with him, in his retirement, the warm regard of His Highness the Maharaja and the best wishes of the people of Mysore

M VISVESVARAYA,
Dewan of Mysore

STATEMENT A

BUDGET ESTIMATES FOR 1915-1916

HEADS OF RECEIPTS	Accounts 1913-1914.	Revised Estimate 1914-1915	Budget Estimate 1915 1916
A—Principal Heads of Revenue—	Rs	Rs	Rs
I Land Revenue	1 05 36 998	1 03 00 000	1,03 25,000
II Forest	33 96 940	17 22,000	17 23 000
III Excise	52,23,396	55 00 000	50 00 000
IV Assessed Taxes	2,64 946	2,50 000	2,60,000
VII Stamps	10 66 314	10 62,000	10 25 000
VIII Registration	2,07 496	1 96 000	2,00 000
Total	2,06 97 389	1 90 30,000	1,88,33,000
AA—Mining Revenue—			
IX Mining Royalty and Leases	19 03 611	20 70 000	18 96 000
B—IXA Surplus Revenue of Bangalore Assigned tract	30 00 000	9 23 000	8,00 000
BB—Interest—			
X Interest	1 30 543	15 98 000	9 62 000
XI Profit or Loss	13 35 153	(a)	(a)
Total	14 95 696	15 98 000	9 62,000
D—Receipts by Civil Departments—			
XIIA Law and Justice—Courts of Law	55 429	60 000	55 000
XIIB Law and Justice—Jails	32 076	33 000	32 000
XIII Police	26 489	28 000	32 000
XIV Education	1 84 777	2 11 000	1,89 000
XIVA Agriculture	(b)	3 000	2 000
XIVB Industries and Commerce			
XV Medical	1 11 292	1 06 000	1 11 000
XVA Sanitation and Vaccination	(c)	16 000	17 000
XVI Scientific and other Minor Departments	1 10 871	82,000	92,000
Total	5 21 074	5 39 000	5 30 000
E—Miscellaneous—			
XVII Receipts in aid of Superannuation Allowances and Pensions	2,607	3 000	13 000
XVIII Stationery and Printing	13 506	10 000	10 000
XIX Miscellaneous	2,15 149	1 91 000	1,80 000
Total	2 31 261	2 04 000	2,03 000
G—Military Receipts—			
XX Army	78 704	88 000	64 000
XXA Military Works	10 220	7 000	10 000
Total	88 924	95 000	74 000

(a) Included under X Interest
(b) Included under XVI Scientific and other Minor Departments
(c) Included under XV Medical

HEADS OF EXPENDITURE	Accounts 1913-1914	Revised Estimate 1914 1915	Budget Estimate 1915 1916
A—Direct Demands on the Revenue—	Rs	Rs	Rs
1 Refunds and Drawbacks	2,50,946	1 98,000	1 [illegible],000
1A Assignments and Compensation	(a)	64,000	[illegible]
Charges in respect of Collection ves —			
2. Land Revenue	19 36 226	18,95,000	19 71 000
3 Forest	9 07 006	10 35 000	8,54 000
4 Excise	3,39 296	3 46 000	3 59 000
8 Stamps	48,525	47 000	49,000
9 Registration	86 412	89 000	92,000
Total	35 68,423	36 77 000	36 45,000
AA—10 Charges against Mining Revenue	2,12 740	2,12 000	2,37 000
BB—Interest—			
11 Interest on Ordinary Debt	78 895	88,000	4 45,000
12. Interest on other Obligations	3 47 799	3 46 000	3 92,000
13 Profit or Loss	501	(b)	(b)
Total	4 27 188	4 34 000	8 37 000
C—14 Palace	22,98 924	23 22,000	23 50 000
D—Salaries and Expenses of Civil Departments—			
15 General Administration	12,15 891	10 67 000	11 53,000
16A Law and Justice—Courts of Law	8,86 269	8 47 000	9 03 000
16B Law and Justice—Jails	1 32,124	1 36 000	1 52 000
17 Police	10 00 641	10 89 000	10 99 000
18 Education	13 18 870	16 03 000	20 24 000
18A Agriculture	(c)	1 26 000	2,31 000
18B Industries and Commerce	(c)	1 18 000	1 75 000
19 Muzrai or Religious and Charitable Institutions	3 52 284	3 55 000	3 69 000
20 Medical	8,08 928	6 44 000	6 71 000
20A Sanitation and Vaccination	(d)	1 87 000	2 41 000
21 Scientific and other Minor Departments	4 15 314	3 34 000	3 50 000
Total	60 74 811	65 06 000	73 58 000
E—Miscellaneous Civil Charges—			
22 Civil Furlough Allowances			
23 Allowances and Assignments under Treaties and Engagements	81 694	84 000	86 000
24 Superannuation Allowances and Pensions	7 81 570	7 96 000	8,24 000
25 Stationery and Printing	2 29 149	2 47 000	2,93 000
26 Miscellaneous	4 09 173	8 42,000	9 02,000
Total	15 01 586	19 69 000	21 [illegible] 000
G—Army and Defence—			
27 Army	13 46 732	64 [illegible] 000	1[illegible] 91 000
27A Subsidy to British Government	35 00 000	35 00 000	35 00 000
27B Military Works	93 637	1 11 000	78 000
Total	49 40 369	1 00 16 000	51 69 000
F—Famine Relief and Insurance—			
28 Famine Relief	— 14		
29 Reduction or Avoidance of Debt	3 33 333	3 33 000	3 33 000
Total	3 33 319	3 33 000	3 33 000
H—State Railways—Revenue Accounts—			
30 State Railways worked by the M & S M Railway Company	7 16 856	7 20 000	7 20 000
30A Miscellaneous Railway Expenditure	8 110	1 56 000	1 47 000
Total	7 24 966	8 76 000	8 67 000
J—Irrigation—			
31 Major works	24 78 220	3 51 000	5 84 000
32. Minor works	1 58 986	3 03 000	3 37 000
K—Public Works—			
33 Civil works	21 13 120	24 78 000	21 71 000
Total	47 50 336	30 32,000	30 92,000

(a) Included under respective heads
(b) Included under 12 Interest on other obligations
(c) Included under 21 Scientific and other Minor Departments
(d) Included under 20 Medical

Continued on the next page.]

STATEMENT A —BUDGET ESTIMATES FOR 1915 16—*concld*

HEADS OF RECEIPTS	Accounts 1913-14	Revised Estimate 1914 15	Budget Estimate, 1915-16
	Rs	Rs	Rs.
H—Railways—Revenue Account—			
XXI State Railways worked by the Madras and Southern Mahratta Railway Company	16,05 723	13 04,000	13,03 000
XXIA State Railways worked by Government			44 000
Total	16,05 723	13,04 000	13 47,000
K—XXII Public Works	3,44 014	2,98 000	2,52,000
L—XXIII Cauvery Power Scheme	17,03 863	17 58,000	25 00,000
Total Revenue and Receipts	3 15 91 564	2 75,14,000	2 74 02,000
Deficit		28 01 000	
Grand Total	3 15 91 564	3 03 15 000	2 74 02,000

HEADS OF EXPENDITURE	Accounts 1913-14	Revised Estimate 1914-15	Budget Estimate, 1915 16
	Rs	Rs	Rs
KK—Capital outlay on State Railways—			
34 Open lines worked by M & S M Railway Company	10,12 196	3,63 000	4 00 000
Bangalore Electric Tram ways— Capital Expenditure	43 254		(a)
L—Cauvery Power Scheme—			
35 Revenue Account	7,20 397	7 43 000	7 46 000
36 Capital Account	2 37 295	1 27 000	2,31,000
Total	16 67 692	3 70 000	2 77 000
Total Expenditure	2 76 55 173	3 03 15 000	2,73 70,000
Deduct—Outlay on Capital Works			
Surplus	40,36 411		32,000
Grand Total	3,15 91 564	3,03 15 000	2,74 02,000
N—Capital outlay not charged to Revenue—			
37 Cauvery Reservoir and allied works	21 44 245	32,50 000	25 00,000
38 Capital outlay on State Railways and Steam Tramways	6,04,345	35 04 000	26 35 000
39 Subsidised or Aided Railways	7,36 723	9 33,000	7 00,000
40. Bangalore Electric Tramways	43,254	4,000	6 00,000
41 Cauvery Power Scheme IV Installation	3,36 132	10 00,000	2,00 000
Total	43 70 239	86,96 000	66 35,000

(a) Provided under N Capital outlay not charged to Revenue
Charges included under service heads

STATEMENT B

Statement of Assets and Liabilities as they stood on 1st July 1915, in accordance with the preliminary accounts of 1914-15

(In thousands of rupees)

	1913 14 Final Accounts	1914 15 Preliminary Accounts	1914 15, + more, or — less, than 1913 14
ASSETS			
Cash Balance	1,01,08	72,27	— 28,81
Surplus Investment Account including fixed deposits (Less Depreciation)	3,28,29	2,59,71 —17,53	— 86,11
Loans and Advances	28,98	29,05	+ 7
Departmental Balances	7,92	10,53	+ 2,61
Miscellaneous		83	+ 83
Total	4,66,27	3,54,86	—1,11,41
LIABILITIES			
Savings Bank Deposits	76,94	68,62	— 8,32
State Life Insurance Fund	29,53	32,83	+ 3,30
Charitable endowments	6,12	6,23	+ 11
Permanent Debt	20,33	20,33	
Local and other Funds	33,93	37,92	+ 3,99
Cauvery Power Scheme Depreciation Fund	28,50	31,20	+ 2,70
Famine Insurance Reserve	16,00	18,00	+ 2,00
Deposits	12,12	19,96	+ 7,84
Guaranteed Railways	7	17	— 60
Miscellaneous	8,94		— 8,94
Total	2,33,18	2,35,26	+ 2,08
Government Balance	2,33,09	1,19,60	—1,13,49
Grand Total	4,66,27	3,54,86	— 1,11,41